



SK INTERNATIONAL EXPORT LIMITED

Our Company was originally formed as partnership firm constituted under the Indian Partnership Act, 1932 (the "*Partnership Act*") in the name of M/s S.K International (Export) Co., pursuant to a deed of partnership dated November 01, 1991 and subsequent change including addition and retirement of partners by way of partnership deed dated May 18, 2018 thereafter conversion from a partnership firm to a public limited company under Part I of Chapter XXI of the Companies Act, 2013 with the name SK International Export Limited and received a certificate of incorporation from Registrar of Companies, Mumbai on September 13, 2018 bearing corporate identification number U18109MH2018PLC314141.

For details of changes in name and registered office of our Company, please refer to the section titled "History and Certain Corporate Matters" beginning on page 123 of this Draft Prospectus.

Registered office: 78, Ground, A2, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai – 400013, Maharashtra India

Tel.: +91 022 6660 6450/ 022 6660 6451; **E-mail:** info@skinternational.in; **Website:** www.skinternational.in;

Contact Person: Mr. Hitesh Shrawankumar Sadh; **E-Mail:** info@skinternational.in

PROMOTERS OF OUR COMPANY: MR. SHRAWANKUMAR P. SADH AND MR. HITESH SHRAWANKUMAR SADH

PUBLIC ISSUE OF 19,80,000 EQUITY SHARES OF FACE VALUE OF Rs.10.00 EACH OF SK INTERNATIONAL EXPORT LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs. 20.00 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF Rs. 10.00 PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO Rs. 396.00 LACS/- ("THE ISSUE"), OF WHICH 1,02,000 EQUITY SHARES OF FACE VALUE OF Rs. 10.00 EACH FOR CASH AT A PRICE OF Rs. 20.00 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF Rs. 10.00 PER EQUITY SHARE AGGREGATING TO Rs. 20.40 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF 18,78,000 EQUITY SHARES OF FACE VALUE OF Rs. 10.00 EACH AT A PRICE OF Rs. 20.00 PER EQUITY SHARE AGGREGATING TO Rs. 375.60 LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.01% AND 25.61% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENT) REGULATIONS, 2018 (THE "SEBI ICDR REGULATIONS") READ WITH RULE 19(2)(b)(i) OF SCRR AS AMENDED. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET OFFER TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253(2) OF THE SEBI (ICDR) REGULATIONS, 2018. THE FACE VALUE OF THE EQUITY SHARES IS Rs. 10.00 EACH (For further details see "The Issue" beginning on page no. 42 of this Draft Prospectus.). A copy will be delivered for registration to the Registrar of Companies as required under Section 26 & 32 of the Companies Act, 2013

In terms of Regulation 256 of SEBI ICDR Regulations read with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and Unified Payments Interface (UPI) introduced vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 as a payment mechanism in a phased manner with ASBA, all the potential investors shall participate in the issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same or through UPI. For details in this regard, specific attention is invited to "Issue Procedure" on page no. 216 of this Draft Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the equity shares is ₹ 10/- each and the issue price is 2 times of face value of the equity share. The issue price should not be taken to be indicative of the market price of the equity shares after the equity shares are listed on the SME platform of BSE. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the offer including the risks involved. The Equity Shares issued in the offer have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 21 of this Draft Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through the Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited. In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an approval letter dated [●] from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE").

LEAD MANAGER



Finshore Management Services Limited
Anandlok, Block – A, 2nd Floor, Room No.207
227, A.J.C. Bose Road, Kolkata – 700 020, West Bengal, India
Tel. No.: +91 33-22895101/9920379029
Fax No.: +91 33-22895101
SEBI Registration No: INM000012185
Email: info@finshoregroup.com
Website: www.finshoregroup.com
Contact Person: Mr. S. Ramakrishna Iyengar

REGISTRAR TO THE ISSUE



Karvy Fintech Private Limited
Karvy Selenium Tower-B, Plot 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032, Telangana, Hyderabad
Tel.: +91 40 6716 2222
Fax: +91 40 2343 1551
Email: einward.ris@karvy.com
Investor Grievance Email: skinternational.ipo@karvy.com
Website: <https://karisma.karvy.com>
SEBI Registration No.: INR000000221
Contact Person: Mr. M Murali Krishna

ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON:[●]

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Draft Prospectus, and references to any statute, regulation, rule, guidelines, circular, notification or clarification or policies will include any amendments or re-enactments thereto, from time to time.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, “Industry Overview”, “Basis for Issue Price”, “Key Regulations and Policies in India”, “Financial Information”, “Outstanding Litigation and Other Material Developments” and “Part B” of “Issue Procedure”, Will have the meaning ascribed to such terms in these respective sections.

In case of any inconsistency between the definitions given below and the definitions contained in the Conventional or General Information Document (as defined below), the definitions given below shall prevail. The words and expressions used but not defined in this Draft Prospectus will have the same meaning as assigned to such terms under the provisions of the Companies Act, 2013, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder.

CONVENTIONAL OR GENERAL TERMS

| Terms | Description |
|---|--|
| “SKIEL”, “Our Company”, “the Company” or “the Issuer” | SK International Export Limited, a public limited company incorporated in India under Part I of Chapter XXI of the Companies Act, 2013 with its registered office located at 78, Ground floor, A-2 Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai-400013, Maharashtra, India |
| “We”, “the”, “our” or “us” | Unless the context otherwise indicates or implies, refers to our Company |

COMPANY RELATED TERMS

| Term | Description |
|---|--|
| Articles/ Association/ AoA | Articles of Association of our Company |
| Audit Committee | The articles of association of our Company, as amended from time to time. |
| Auditor of our Company/ Statutory Auditor | Audit Committee of our Company constituted in accordance Section 177 of the Companies Act, 2013 |
| Banker to our Company | The Statutory Auditors of our Company, being A Biyani & Co., Chartered Accountants having their office at Unit no. 411, Gundecha Industrial Complex, Akurli Road, next to Big Bazar, Opp. Western Express Highway, Kandivali-East, Mumbai – 400 101, Maharashtra, India. |
| Board of Director(s)/the Board/our Board/ Director(s) | [●], as disclosed in the section titled “ General Information ” beginning on page 47 of this Draft Prospectus |
| Chief Financial Officer/CFO | The director(s) on our Board, as duly constituted from time to time, including any committee(s) therefore, unless otherwise specified. For further details of our Directors, please refer to section titled “ Our Management ” beginning on page 127 of this Draft Prospectus. |
| Company Secretary & Compliance Officer | The Chief Financial Officer of our Company being Ms. Sneha Sadashiv Parab |
| Equity Shares | The Company Secretary and Compliance Officer of our Company being Ms. Bijal Sunil Shah |
| Equity Shareholders | The Equity Shares of our Company of face value of Rs. 10 each, fully paid-up, unless otherwise specified in the context thereof. |
| Group Companies/ Entities | Persons/ Entities holding Equity Shares of our Company. |
| | The companies included under the definition of “Group Companies” under the SEBI (ICDR) Regulations and companies as considered material by our Board, as identified by the Company in its Materiality Policy. For further details, please refer to section titled “ Group Entities of Our Company ” beginning on page 144 of this Draft Prospectus. |

| Term | Description |
|--|---|
| Key Managerial Personnel/ KMP | Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations 2018 and Section 2(51) of the Companies Act, 2013 and as described in section titled “ <i>Our Management</i> ” beginning on page 127 of this Draft Prospectus. |
| Materiality Policy | The policy adopted by our Board at its meeting dated December 21, 2018 for determining (i) Our Group Entities; (ii) outstanding material litigation involving our Company, Directors, Promoters and Our Group Entities; and (iii) outstanding dues to creditors in respect of our Company, in terms of the SEBI ICDR Regulations, 2018 for the purposes of disclosure in the offer documents. For further details, see “ <i>Group Entities of our Company</i> ” and “ <i>Outstanding Litigation and Material Developments</i> ” on pages 144 and 185 respectively of this Draft Prospectus. |
| Memorandum/ Memorandum of Association/ MoA | The Memorandum of Association of our Company, as amended from time to time |
| NCLT | National Company Law Tribunal |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013, as disclosed in “ <i>Our Management</i> ” on page 127 of this Draft Prospectus. |
| Promoters | The promoters of our Company being: Promoters name Mr. Shrawankumar Sadh and Mr. Hitesh Shrawankumar Sadh For further details, please refer to section titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 139 of this Draft Prospectus. |
| Promoter Group | Companies, individuals and entities (other than companies) constituting the part of Promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations, 2018 and as disclosed under section titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 139 of this Draft Prospectus. |
| Registered Office | Our Registered office located at 78, Ground floor, A-2, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel Mumbai- 400013, Maharashtra, India. |
| Restated Financial Statement | Audited Financial Statements for the period ended September 12, 2018 and for the Financial Years ended March 31, 2018; 2017; and 2016, as restated in accordance with SEBI (ICDR) Regulations, comprises of (i) Financial Information as per Restated Summary Financial Statements and (ii) Other Financial Information. |
| RoC / Registrar of Companies | Registrar of Companies, Mumbai, Maharashtra located at 100, Everest, Marine Drive, Mumbai- 400002, Maharashtra, India. |
| Stakeholder’s Relationship Committee | Stakeholder’s relationship committee of our Company constituted in accordance with Section 178 of Companies Act, 2013 |

ISSUE RELATED TERMS

| Terms | Description |
|--------------------------|--|
| Abridged Prospectus | Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form. |
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form. |
| Allotment | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of the Equity Shares to the successful Applicants. |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges. |
| Allottee (s) | A successful Applicant (s) to whom the Equity Shares are being/ have been issued /allotted. |
| Applicant/ASBA Applicant | Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application Form. Pursuant to SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, with effect from January 01, 2016 |

| Terms | Description |
|---|--|
| | all applicants participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications. |
| Application | An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations. |
| Application Amount | The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form. |
| Application Supported by Blocked Amount/ASBA or UPI | An application, whether physical or electronic, used by ASBA Bidders, to make a Bid authorizing a SCSB to block the Bid Amount in the ASBA Account including the bank account linked with UPI ID |
| ASBA Account | A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form. |
| ASBA Application Location (s)/ Specified Cities | Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on www.sebi.gov.in/pmd/scsb.pdf |
| ASBA Forms/Application Forms | An application form, whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the Draft Prospectus. |
| Banker to the Issue | Bank which are clearing members and registered with SEBI as banker to an issue and with whom the Public Issue Account will be opened, in this case being [●]. |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, as described in the section titled “ <i>Issue Procedure</i> ” - Basis of Allotment beginning on page 216 of this Draft Prospectus. |
| Broker Centres | Broker centers notified by the Stock Exchanges where Bidders can submit the Application 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 Stock Exchange. |
| Broker to the Issue | All recognized members of the stock exchange would be eligible to act as the Broker to the Issue. |
| Business Day | Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays) |
| BSE SME | The SME platform of BSE Limited, approved by SEBI as an SME Exchange for listing of equity shares. |
| CAN or Confirmation of Allocation Note | The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange. |
| Client ID | Client Identification Number maintained with one of the Depositories in relation to demat account |
| Collection Centres | Centres at which the Designated Intermediaries shall accept the ASBA Forms. |
| Compliance Officer | The Company Secretary of our Company, i.e. Ms. Bijal Sunil Shah |
| Collecting Depository Participant or CDP | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Controlling Branches of SCSBs | Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. |
| Demographic Details | The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details. |
| Depository/ Depositories | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time, being NSDL and CDSL. |
| Depository Participant/DP | A depository participant as defined under the Depositories Act, 1966. |

| Terms | Description |
|--|--|
| Designated CDP Locations | Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com |
| Designated Date | The date on which the funds blocked by the SCSBs and Sponsor Bank are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account, as appropriate, after finalisation of the Basis of Allotment, in terms of the Prospectus following which the Equity Shares will be Allotted in the Offer. |
| Designated Intermediaries /Collecting Agent | An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose name is mentioned on website of the stock exchange as eligible for this activity). |
| Designated Market Maker | In our case, [●] |
| Designated RTA Locations | Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange | SME Platform of BSE Limited. |
| Draft Prospectus | The Draft Prospectus dated March 07, 2019 issued in accordance with Section 26 & 32 of the Companies Act, 2013 and SEBI ICDR Regulations, 2018 |
| DP | Depository Participant |
| DP ID | Depository Participant's Identity number. |
| Eligible NRI(s) | NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this Draft Prospectus constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof. |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018. |
| FII / Foreign Institutional Investors | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India. |
| First/ Sole Applicant | The Applicant whose name appears first in the Application Form or Revision Form. |
| General Information Document/ GID | The General Information Document for investing in public issues prepared and issued in accordance with the Circular (CIR/CFD/DIL/12/2013) dated 23 rd October, 2013, notified by SEBI read with SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018. |
| Issue/ Public Issue/ Issue Size/ Initial Public Issue/ IPO | Public issue of 19,80,000 Equity Shares of face value of Rs. 10.00 each of our Company for cash at a price of Rs. 20.00 per Equity Share (including a share premium of Rs. 10.00 per Equity Share) aggregating to Rs. 396.00 Lakhs by our Company, in term of this Draft Prospectus. |
| Issue Agreement | The Issue Agreement dated February 11, 2019 between our Company and Lead Manager. |
| Issue Closing Date | The date [●] on which Issue Closes for Subscription |
| Issue Opening Date | The date [●] on which Issue Opens for Subscription |

| Terms | Description |
|---|---|
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Investors may submit their application. |
| Issue Price | The price at which Equity Shares are being issued by our Company being Rs. 20 per Equity Share. |
| Issue Proceeds | The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please refer to section titled “ <i>Objects of the Issue</i> ” beginning on page 66 of this Draft Prospectus. |
| Lead Manager/ LM | Lead Manager to the Issue, in this case being Finshore Management Services Limited. |
| Listing Agreement | Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the BSE Limited. |
| Market Maker | Member Brokers of BSE who are specifically registered as Market Maker with the BSE SME Platform. In our case, [●], Market Maker to the Issue. |
| Market Making Agreement | The Market Making Agreement dated [●] between our Company and Market Maker |
| Market Maker Reservation Portion | The reserved portion of 1,02,000 Equity Shares of face value of Rs. 10.00 each fully paid for cash at an Issue Price of Rs. 20.00 per Equity Shares aggregating Rs. 20.40 Lakhs in the Public Issue of our Company. |
| Mutual Fund(s) | Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended. |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of up to 18,78,000 Equity Shares of face value Rs.10.00 each for cash at an Issue price of Rs. 20.00 per Equity Share (the “Issue Price”), including a share premium of Rs. 10.00 per equity share aggregating up to Rs. 375.60 Lakhs. |
| Net Proceeds | The Issue Proceeds, less the Issue related expenses, received by the Company. |
| Non-Institutional Investors or NIIs | All Applicants, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than Rs. 2 Lakhs (but not including NRIs other than Eligible NRIs) |
| Overseas Corporate Body / 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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue |
| Other Investors | Investors other than Retail Individual Investors. These include individual Applicants other than retail individual investors and other investors including corporate bodies or institutions. |
| Person/ Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| Prospectus | The Prospectus, to be filed with the RoC in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013 and SEBI ICDR Regulations, 2018 |
| Public Issue Account | The Bank Account opened with the Banker(s) to this Issue [●] under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Accounts on the Designated Date. |
| Qualified Institutional Buyers or QIBs | A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. |
| Registered Brokers | Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate. |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Registrar / Registrar to this Issue /RTI | Registrar to the Issue being Karvy Fintech Private Limited |
| Registrar Agreement | The agreement dated December 03, 2018, entered into between our Company and the |

| Terms | Description |
|---|---|
| | Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue. |
| Reserved Categories | Categories of persons eligible for making application under reservation portion. |
| Retail Investors/RIIs | Individual Applicants or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to Rs. 2 Lakhs in this Issue. |
| Revision Form | The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable. |
| Self-Certified Syndicate Bank(s) or SCSB(s) | Banks registered with SEBI, Issuing services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html |
| Specified Locations | Collection centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time. |
| Sponsor Bank | Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer 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 retail investors into the UPI |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended thereto. |
| SME Exchange | The SME Platform of the BSE i.e. BSE SME |
| SME Platform | The SME platform of BSE Limited, approved by SEBI as an SME Exchange for listing of equity shares. |
| Underwriters | Finshore Management Services Limited |
| Underwriting Agreement | The agreement dated [●] entered into between our Company and the Underwriters. |
| UPI | Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons bank accounts using a payment address which uniquely identifies a person's bank a/c. |
| UP ID | ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI). |
| UPPIN | Password to authenticate UPI transaction |
| Working Days | <p>“Working days” means all days on which commercial banks in the city as specified in the offer document are open for business. However, till issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the offer document are open for business.</p> <p>The time period between the bid/issue closing date and the listing of the specified securities on the stock exchanges, working day shall mean all trading days of the stock exchanges, excluding Sundays and bank holidays, as per circulars issued by the Board, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and in terms of regulation 2(1)(mmm) of SEBI ICDR Regulations 2018.</p> |

Conventional and General Terms:

| Term | Description |
|--|---|
| ACIT | Assistant Commissioner of Income Tax |
| AIF(s) | The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| Air Act, 1981 | Air (Prevention and Control of Pollution) Act, 1981 |
| Category I Foreign Portfolio Investor(s) | FPIs who are registered as “Category I foreign portfolio investor” under the SEBI FPI Regulations |
| Category II Foreign Portfolio Investor(s) | FPIs who are registered as “Category II foreign portfolio investor” under the SEBI FPI Regulations |
| Category III Foreign Portfolio Investor(s) | FPIs who are registered as “Category III foreign portfolio investor” under the SEBI FPI Regulations |

| Term | Description |
|--|---|
| Companies Act/ Companies Act, 2013 | Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder |
| Competition Act | The Competition Act, 2002 |
| Consolidated FDI Policy | Consolidation FDI Policy dated 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. |
| FCNR Account | Foreign currency non-resident account |
| FEMA | Foreign Exchange Management Act, 1999 read with rules and regulations thereunder |
| FEMA Regulations | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000 |
| FII(s) | Foreign Institutional Investors as defined under the SEBI FPI Regulations. |
| Financial Year/ Fiscal Year/ F.Y. | Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated |
| Foreign Portfolio Investor or FPI | Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India. |
| FVCI | Foreign Venture Capital Investor, registered under the FVCI Regulations |
| FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| Income Tax Act or the I.T. Act | The Income Tax Act, 1961 |
| Ind AS | New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016 as amended. |
| LLP Act | The Limited Liability Partnership Act, 2008 |
| Notified Sections | The sections of the Companies Act, 2013 that have been notified by the Government as having come into effect prior to the date of this Draft Prospectus |
| NRE Account | Non-resident external account |
| NRO Account | Non-resident ordinary account |
| RBI Act | Reserve Bank of India Act, 1934 |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SEBI | The Securities and Exchange Board of India, constituted under the SEBI Act |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| SEBI FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 |
| 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 (ICDR) Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. |
| SEBI (LODR) Regulations/ SEBI Listing Regulations | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| SEBI VCF Regulations | The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 |
| Securities Act | U.S. Securities Act of 1933, as amended |
| State Government | The government of a state of the Union of India |
| STT | Securities Transaction Tax |
| Sub-account | Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporates or foreign individuals |
| VCFs | Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations |
| Wilful Defaulter(s) | Wilful defaulter means a person or an issuer who or which is categorized as a wilful |

| Term | Description |
|------|--|
| | defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. |

Technical and Industry related terms

| Term | Description |
|------------------------------------|---|
| APES | Apparel Park for Exports Scheme |
| ARMs | Additional Revenue Measures |
| AQL | Acceptable Quality Limit |
| ASEAN | Association of Southeast Asian Nations |
| BoP | Balance of Payment |
| BTRA | Bombay Textile Research Association |
| CAGR (Compound Annual Growth Rate) | $CAGR = (\text{End Value} / \text{Start Value})^{(1/\text{Periods})} - 1$ |
| CapEx | Capital Expenditure |
| CAD | Current Account Deficit |
| CETPs | Common Effluent Treatment Plants |
| CCEA | Cabinet Committee on Economic Affairs |
| CPI | Consumer price index |
| CSO | Central Statistics Organisation |
| DDDM | Drum dyed, dry milled leather. |
| DDDN | Drum dyed, dry Napa |
| DGFT | Directorate General of Foreign Trade |
| DIPP | Department of Industrial Policy and Promotion |
| DOC | Department of Commerce |
| EMDEs | Emerging Market Developing Economies |
| EPCG | Export Promotion Capital Goods Scheme |
| EU | European Union |
| FDI | Foreign Direct Investment |
| FDDI | Footwear Design and Development Institute |
| FOB | Freight on Board |
| FTP | Foreign Trade Policy |
| GDP | Gross Domestic Product |
| GST | Goods and Service Tax |
| GVA | Gross value added |
| HVI | High Volume Instrument |
| IEC | Importer Exporter Code Number |
| IIP | Index of Industrial Production |
| IMF | International Monetary Fund |
| IPDS | Integrated Processing Development Scheme |
| ISO | The International Organization for Standardization |
| IWDP | Integrated Wool Development Programme |
| LIC | Low Income Countries |
| MAI | Market Access Initiative |
| MEIS | Merchandise Exports from India Scheme |
| MDA | Market Development Assistance |
| MoU | Memorandum of Understanding |
| NCP | National Productivity Council |
| NITRA | Northern India Textile Research Association |
| NSDC | National Skill Development Corporation |
| NTP | National Textile Policy |
| NTC | National Textiles Corporation |
| PMI | Purchasing Managers' Index |
| RCEP | Regional Comprehensive Economic Partnership |
| SASMIRA | Synthetic and Art Silk Mills Research Association |

| Term | Description |
|--------------------|--|
| SEZ | Special Economic Zone |
| SITRA | South India Textile Research Association |
| SITP | Scheme for Integrated Textile Park |
| SME | Small and Medium Enterprises |
| SCBTS | Scheme for Capacity Building in Textile Sector |
| TCIDS | Textile Center Infrastructure Development Scheme |
| TUFS | Technology Upgradation Fund Scheme |
| WEO | World Economic Outlook |
| ZLD | Zero Liquid Discharge |
| 1 st AE | First Advance Estimates |

General terms/ Abbreviations:

| Term | Description |
|---------------------------|--|
| ₹ or Rs. or Rupees or INR | Indian Rupees |
| AGM | Annual General Meeting |
| AS/Accounting Standards | Accounting Standards issued by the Institute of Chartered Accountants of India |
| A.Y. | Assessment year |
| BPLR | Bank Prime Lending Rate |
| BSE | BSE Limited |
| CARO | Companies (Auditor's Report) Order, 2016 as amended from time to time |
| CDSL | Central Depository Services (India) Limited |
| CEO | Chief Executive Officer |
| CIN | Corporate Identity Number |
| CLB | Company Law Board |
| CrPC | Criminal Procedure Code, 1973, as amended |
| CSR | Corporate Social Responsibility |
| DIN | Director Identification Number |
| DP ID | Depository participant's identification |
| ECS | Electronic Clearing System |
| EBITDA | Earnings before Interest, Tax Depreciation and Amortisation |
| EGM | Extraordinary General Meeting of the Shareholders of the Company |
| EPS | Earnings Per Share |
| ESOS | Employee Stock Option Scheme |
| FDI | Foreign direct investment |
| GAAR | General anti avoidance rules |
| GBP | Great Britain Pound |
| GIR | General index register |
| GoI/ Government | Government of India |
| HNI | High Net worth Individual |
| HUF | Hindu Undivided Family |
| ICAI | Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| ISO | International Organization for Standardization |
| IT Act | The Income Tax Act, 1961, as amended |
| IT Rules | The Income Tax Rules, 1962, as amended |
| JV | Joint Venture |
| MCA | Ministry of Corporate Affairs, Government of India |
| MoU | Memorandum of understanding |
| N.A. | Not Applicable |
| NAV/ Net Asset Value | Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued Equity Shares |
| NECS | National Electronic Clearing Services |

| Term | Description |
|-------------|--|
| NEFT | National Electronic Fund Transfer |
| NoC | No Objection Certificate |
| No. | Number |
| NR | Non-resident |
| NSDL | National Securities Depository Limited. |
| NTA | Net Tangible Assets |
| p.a. | Per annum |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PBT | Profit before tax |
| PCB | Pollution Control Board |
| P/E Ratio | Price per earnings ratio |
| Pvt. | Private |
| RBI | Reserve Bank of India |
| RoC | Registrar of Companies |
| RONW | Return on Net Worth |
| RTGS | Real time gross settlement |
| SCN | Show Cause Notice |
| SCSB | Self-certified syndicate bank |
| UIN | Unique identification number |
| US | United States |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America |
| VAT | Value added tax |
| YoY | Year on Year |

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “SK International Export Limited” and “SKIEL”, unless the context otherwise indicates or implies, refers to SK International Export Limited.

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to “India” in this Draft Prospectus are to the Republic of India, all references to the “U.S.”, the “USA” or the “United States” are to the United States of America, together with its territories and possessions.

Financial Data

Unless stated otherwise, the financial information in this Draft Prospectus are extracted from the restated Financial Statements of our Company (i) as of and for Financial Year ended March 31, 2016, 2017, 2018 and for period ended on September 12th, 2018 prepared in accordance with Indian GAAP and the Companies Act, and restated in accordance with the SEBI (ICDR) Regulations, as stated in the report of our Statutory Auditor, set out in the section titled ‘Financial Statements as Restated’ beginning on page no. 147 of this Draft Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and have been restated in accordance with the SEBI (ICDR) Regulations, 2018.

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

There are significant differences between Indian GAAP, IND AS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in this Draft Prospectus, including in the Sections titled, **Risk Factors; Our Business; Management’s Discussion and Analysis of Financial Condition and Results of Operations** beginning on page no. 21, 96, and 175 respectively, have been calculated on the basis of the restated audited financial statements of our Company included in this Draft Prospectus.

Currency and Units of Presentation

All references to “Rupees”, “Rs.”, “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. Our Company has presented certain numerical information in this Draft Prospectus in “Lakh” units. One lakh represents 1,00,000. In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been derived from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, we believe that the industry and market data used in this Draft Prospectus is reliable, neither we nor the Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “**Risk Factors**” beginning on 21 of this Draft Prospectus. Accordingly, investment decisions should not be based on such information.

In accordance with the SEBI (ICDR) Regulations, 2018, we have included in the section titled “*Basis for Issue Price*” beginning on page 71 of this Draft Prospectus, information pertaining to the peer group entities of our Company. Such information has been derived from publicly available data of the peer group companies.

Exchange Rates

This Draft Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI (ICDR) Regulations, 2018. 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 dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies:

| Currency | March 31, 2018* | March 31, 2017 | March 31, 2016 |
|----------|-----------------|----------------|----------------|
| Euro | 80.6222 | 69.2476 | 75.0955 |
| USD | 65.0441 | 64.8386 | 66.3329 |

Source: www.rbi.gov.in

*As data for March 31, 2018 was not available, taken figure as on March 28, 2018

FORWARD LOOKING STATEMENTS

This Draft Prospectus includes certain “forward-looking statements”. We have included statements in the Draft Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in India;
2. Disruption in our manufacturing facilities.
3. Company’s ability to successfully implement its growth strategy and expansion plans.
4. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
5. Inability to successfully obtain registrations in a timely manner or at all;
6. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
7. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
8. Changes in laws and regulations relating to the industries in which we operate;
9. Effect of lack of infrastructure facilities on our business;
10. Increase in prices of Raw Material i.e. fabrics
11. Occurrence of Environmental Problems & Uninsured Losses;
12. Intensified competition in industries/sector in which we operate;
13. Our ability to attract, retain and manage qualified personnel;
14. Failure to adapt to the changing technology in textiles industry may adversely affect our business and financial condition;
15. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
16. Conflicts of interest with affiliated companies, the promoter group and other related parties;
17. Any adverse outcome in the legal proceedings in which we are involved;
18. Our ability to expand our geographical area of operation;
19. Concentration of ownership among our Promoters.

For further discussion of factors that could cause our actual results to differ, see the Section titled “**Risk Factors**”; “**Our Business**” & and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 21, 96 & 175 respectively of the Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. There can be no assurance to 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 to be a guarantee of our future performance.

In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

SUMMARY OF OFFER DOCUMENT

PRIMARY BUSINESS OF THE COMPANY

We were established in year 1991 as partnership firm in international exports of scarves and beachwear. Our Company has created a distinct identity of its own in the International business domain and mainly caters to European market i.e. Spain, Germany, France, Netherlands, UK and started selling in US market since 2018 onwards and also entered into the domestic market. Our Company is a manufacturer and exporter in Scarves and Beachwear based in Mumbai, India. Our Company is engaged in manufacturing and marketing of women and mens apparels like scarves, shawls, sarongs, headband & bandanas and Beachwear garments in all qualities like silk, viscose, cotton, polyester & wool and several blends.

From year 2018, our Company entered into manufacturing for several Retail brands in the domestic market by creating new designs as per local market for its main core product scarves. We also entered in the ethnic wear category by developing trendy duppatas at affordable prices catering women who look for fashionable styles at affordable prices.

For further details, please refer the section titled “Our Business” beginning on Page 96 of this Draft Prospectus.

OVERVIEW OF TEXTILE INDUSTRY

India’s textiles sector is one of the oldest industries in Indian economy dating back several centuries. India's overall textile exports during FY 2017-18 stood at US\$ 39.2 billion.

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

Market Size

The Indian textiles industry, currently estimated at around US\$ 150 billion, is expected to reach US\$ 250 billion by 2019. 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.

The production of raw cotton in India is estimated to have reached ₹34.9 million bales in FY18.

Investment

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 2.97 billion during April 2000 to June 2018. Some of the major investments in the Indian textiles industry are as follows:

In May 2018, textiles sector recorded investments worth Rs.27,000 crore (US\$ 4.19 billion) since June 2017. The Government of India announced a Special Package to boost exports by US\$ 31 billion, create one crore job opportunities and attract investments worth ₹800.00 billion (US\$ 11.93 billion) during 2018-2020. As of August 2018, it generated additional investments worth ₹253.45 billion (US\$ 3.78 billion) and exports worth ₹57.28 billion (US\$ million).

For further details, please refer the section titled “Our Industry” beginning on Page 180 of this Draft Prospectus

NAME OF THE PROMOTERS

The Promoters of our Company are Mr. Shrawankumar Sadh and Mr. Hitesh Shrawankumar Sadh. For detailed information on our Promoters and Promoters' Group, please refer to Chapter titled "Our Promoters and Promoters' Group" on page no. 139 of this Draft Prospectus.

SIZE OF THE ISSUE

Our Company is proposing the Fresh Public Issue of 19,80,000 Equity Shares of face value of Rs. 10.00 each for cash at a price of Rs. 20.00 per Equity Share including a Share Premium of Rs. 10.00 per Equity Share (the "Issue Price") aggregating to Rs. 396.00 lakhs ("The Issue"), of which 1,02,000 Equity Shares of face value of Rs. 10.00 each for cash at a price of Rs. 20 per Equity Share including a Share Premium of Rs.10.00 per Equity Share aggregating to Rs. 20.40 lakhs will be reserved for subscription by Market Maker to the issue (the "Market Maker Reservation Portion"). The issue less the Market Maker Reservation portion i.e. 18,78,000 Equity Shares of face value of Rs. 10.00 each at a price of Rs. 20.00 per Equity Share including a Share Premium of Rs. 10.00 per Equity Share aggregating to Rs. 375.60 lakhs is herein after referred to as the "Net Issue". The Issue and the Net Issue will constitute 27.01% and 25.61% respectively of the Post Issue Paid up Equity Share Capital of our company

OBJECT OF THE ISSUE

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

| Sl. No. | Particulars | Estimated Amount (in Rs. Lakhs) |
|---------|-------------------------------------|------------------------------------|
| 1 | To meet Working Capital Requirement | 301.00 |
| 2 | General corporate purpose | 70.00 |
| | Total: Net Issue Proceeds | 371.00 |

Utilisation of Net Issue Proceeds: The Net Issue proceeds will be utilised to finance Working Capital Requirement and General corporate purpose in tune of ₹301.00 Lakhs and ₹70.00 Lakhs respectively

For detailed information, please refer to chapter titled "*Objects of the Issue*" on page no. 66 of this Draft Prospectus.

PRE - ISSUE SHAREHOLDING OF THE PROMOTER AND PROMOTER GROUP

The shareholding pattern of our Promoters and Promoters' Group before the Issue is as under;

| Particulars | Pre-Issue | | Post-Issue | |
|-----------------------------------|------------------|------------------------|------------------|------------------------|
| | Number of Shares | Percentage (%) holding | Number of Shares | Percentage (%) holding |
| Promoters (A) | | | | |
| Mr. Shrawankumar Sadh | 19,47,077 | 36.38 | 19,47,077 | 26.56 |
| Mr. Hitesh Shrawankumar Sadh | 23,76,832 | 44.41 | 23,76,832 | 32.42 |
| Total (A) | 43,23,909 | 80.79 | 43,23,909 | 58.97 |
| Promoter Group (B) | | | | |
| Mrs. Purti Hitesh Sadh | 13,730 | 0.26 | 13,730 | 0.19 |
| Mrs. Swarnalata Shrawankumar Sadh | 7,27,125 | 13.59 | 7,27,125 | 9.92 |
| Mr. Sohith Shrawankumar Sadh | 13,730 | 0.26 | 13,730 | 0.19 |
| Mrs. Shilpi Amit Sadh | 13,730 | 0.26 | 13,730 | 0.19 |
| Mrs. Vijay Rakesh Sadh | 9,730 | 0.18 | 9,730 | 0.13 |
| Total (B) | 7,78,045 | 14.54 | 7,78,045 | 10.61 |
| Total (A+B) | 51,01,954 | 95.33 | 51,01,954 | 69.59 |

FINANCIAL DETAILS

| Sr. No. | Particulars | For the period ended on September 12, 2018 | For the year ended (Rs. in Lakhs) | | |
|---------|--|--|-----------------------------------|----------------|----------------|
| | | | March 31, 2018 | March 31, 2017 | March 31, 2016 |
| 1 | Share Capital (Partners Capital A/c) | 540.67 | 516.81 | 316.20 | 203.27 |
| 2 | Net worth | 540.67 | 516.81 | 316.20 | 203.27 |
| 3 | Revenue from operations | 422.24 | 844.24 | 805.87 | 888.28 |
| 4 | Profit After Tax | 31.62 | 237.32 | 48.31 | 14.61 |
| 5 | Earnings Per Share –Basic | 0.59 | 4.43 | 0.90 | 0.27 |
| 6 | Earnings Per Share –Diluted | 0.59 | 4.43 | 0.90 | 0.27 |
| 7 | NAV per Equity Share | 10.10 | 9.66 | 5.91 | 3.80 |
| 8 | Total Borrowings (As per Restated Balance Sheet) | 4.62 | 5.93 | 31.46 | 10.45 |

AUDITORS' QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS.

Independent Auditor's Report on Restated Standalone Financials Statements issued by A Biyani & Co, Chartered Accountants contains following Qualifications;

As per Accounting Standard – 15 (Employee Benefits) issued by the Institute of Chartered Accountants of India, the company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, company has not provided for gratuity liability in the financial statement and has not taken any actuarial valuation report. So we are not in position to provide effect in Restated financial statements and to that extent the profit & loss account of the company does not represent true & fair result of the company performance.

The Management has decided to apply pay-as-you-go method for payment of gratuity. So amount of gratuity will be accounted in the Profit & Loss A/c in the financial year in which the employee retires and provision will not be made on yearly basis. For further details, kindly refer Risk Factor under the Section titled "**Risk Factors**" beginning from page no. 21 of this Draft Prospectus.

SUMMARY OF OUTSTANDING LITIGATION

| Sr. No. | Outstanding Litigations | Number of Cases | Financial implications to the extent quantifiable (Rs. in lakhs) |
|---------|------------------------------------|-----------------|--|
| 1. | Filed against our Company | | |
| | a. Tax | | |
| | Direct Tax | 1 | - |
| | Total | 1 | - |
| 2. | Filed against our Promoters | | |
| | a. Tax | | |
| | Direct Tax | 1 | 1.72 |
| | Total | 1 | 1.72 |
| 3. | Filed by our Promoters | | |
| | a. Civil | 1 | - |
| | b. Criminal | 1 | - |
| | Total | 2 | - |

For further details in relation to legal proceedings involving our Company, Directors, Promoters and Group Companies please refer to chapter titled "**Outstanding Litigations and Material Developments**" and "**Risk Factors**" on page no. 185 and 21 of this Draft Prospectus.

SUMMARY OF CONTINGENT LIABILITY

| (Amt. Rs. in Lakhs) | | | | |
|--|--------------|--------------|--------------|--------------|
| Particulars | As at | | | |
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Contingent liabilities in respect of: | | | | |
| Claims against the company not acknowledged as debts | - | - | - | - |
| Guarantees given on Behalf of the Directors loan | - | - | - | - |
| Guarantees given on Behalf of the Subsidiary Company | - | - | - | - |
| Other moneys for which the company is contingently liable | - | - | - | - |
| Income tax Outstanding Demand AY 2007-08 (Income Tax) | 92.42 | 92.42 | 92.42 | 92.42 |
| TDS Defaults (Prior Years) | - | - | - | - |
| TDS Defaults (FY 2013-14) | - | - | - | - |
| TDS Defaults (FY 2014-15) | - | - | - | - |
| TDS Defaults (FY 2015-16) | - | - | - | - |
| TDS Defaults (FY 2016-17) | - | - | - | - |
| TDS Defaults (FY 2017-18) | - | - | - | - |
| Commitments (to the extent not provided for) | | | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - | - | - |
| Uncalled liability on shares and other investments partly paid | - | - | - | - |
| Other commitments | - | - | - | - |
| Total | 92.42 | 92.42 | 92.42 | 92.42 |
| 1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company. | | | | |
| 2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III. | | | | |

SUMMARY OF RELATED PARTY TRANSACTION

| STATEMENT OF RELATED PARTY TRANSACTION | | | | | |
|---|---|-----------------------------------|---------------|---------------|---------------|
| a) | Names of the related parties with whom transaction were carried out during the years and description of relationship: | | | | |
| 1) | Company/entity owned or significantly influenced by directors/ KMP/Partners | Mr. Shrawankumar P. Sadh | | | |
| | | Mrs. Swarnalata S Sadh | | | |
| | | Mr. Hitesh Sadh | | | |
| | | Mr. Sohit Sadh | | | |
| | | Mrs. Vijaya Sadh | | | |
| | | Mrs. Purni Sadh | | | |
| | | M/s Sehej Saraa Fashion Pvt. Ltd. | | | |
| 2) | Key Management Personnel's/Directors: | Ms. Sneha Sadashiv Parab (CFO) | | | |
| | | CS - Ms. Bijal Sunil Shah | | | |
| 3) | Relative of Key Management Personnel's/Director/Partners: | Mrs. Purna Sadh | | | |
| 1. Transaction with Companies/Entity owned or Significantly influenced by Director/KMP | | | | | |
| (Amt. in Lakhs) | | | | | |
| Sr. No. | Nature of Transaction | Period/ Year ended | | | |
| | | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| A | Shrawankumar Sadh | | | | |
| | Opening Balance {Cr./(Dr)} | 195.32 | 189.16 | 118.14 | 166.81 |
| | Amount Paid | 15.18 | 125.75 | 64.12 | 105.48 |
| | Amount Received | 0.38 | 28.90 | 80.01 | 46.00 |
| | Share of Profit from M/s S K International | 13.68 | 103.01 | 21.77 | 6.36 |
| | Remuneration Credited to Partner Capital | 0.51 | - | 33.36 | 4.45 |
| | Closing Balance {Cr./(Dr)} | 194.71 | 195.32 | 189.16 | 118.14 |

| | | | | | |
|----------|--|--------|---------|---------|---------|
| B | Swarnalata S Sadh | | | | |
| | Opening Balance {Cr./Dr} | 73.02 | 159.06 | 166.64 | 182.23 |
| | Amount Paid | 4.18 | 169.32 | 12.42 | 17.00 |
| | Amount Received | | 60.00 | - | - |
| | Share of Profit from M/s S K International | 3.11 | 23.28 | 4.84 | 1.41 |
| | Remuneration Credited to Partner Capital | 0.77 | - | - | - |
| | Closing Balance {Cr./Dr} | 72.72 | 73.02 | 159.06 | 166.64 |
| C | Hitesh Sadh | | | | |
| | Opening Balance {Cr./Dr} | 238.44 | (32.44) | (81.99) | 27.61 |
| | Amount Paid | 15.19 | 28.03 | 74.46 | 118.92 |
| | Amount Received | 0.39 | 195.90 | 80.00 | - |
| | Share of Profit from M/s S K International | 13.68 | 103.01 | 21.77 | 6.36 |
| | Remuneration Credited to Partner Capital | 0.36 | | 22.24 | 2.96 |
| | Closing Balance {Cr./Dr} | 237.68 | 238.44 | (32.44) | (81.99) |
| D | Sohit Sadh | | | | |
| | Opening Balance {Cr./Dr} | 1.37 | - | - | - |
| | Amount Paid | 0.12 | - | - | - |
| | Amount Received | | 0.50 | - | - |
| | Share of Profit from M/s S K International | 0.12 | 0.87 | - | - |
| | Remuneration Credited to Partner Capital | | | - | - |
| | Closing Balance {Cr./Dr} | 1.37 | 1.37 | - | - |
| E | Vijaya Sadh | | | | |
| | Opening Balance {Cr./Dr} | 0.97 | - | - | - |
| | Amount Paid | 0.12 | - | - | - |
| | Amount Received | | 0.10 | - | - |
| | Share of Profit from M/s S K International | 0.12 | 0.87 | - | - |
| | Remuneration Credited to Partner Capital | | | - | - |
| | Closing Balance {Cr./Dr} | 0.97 | 0.97 | - | - |
| F | Purti Sadh | | | | |
| | Opening Balance {Cr./Dr} | 1.37 | - | - | - |
| | Amount Paid | 0.12 | - | - | - |
| | Amount Received | | 0.50 | - | - |
| | Share of Profit from M/s S K International | 0.12 | 0.87 | - | - |
| | Remuneration Credited to Partner Capital | | | - | - |
| | Closing Balance {Cr./Dr} | 1.37 | 1.37 | - | - |

2. Transaction with Key Management Personnel/Directors

| (Amt. in Lakhs) | | | | | |
|-----------------|-----------------------------------|--------------------|------------|------------|------------|
| Sr. No. | Nature of Transaction | Period/ Year ended | | | |
| | | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| A | Mr. Shrawankumar Sadh | | | | |
| | Remuneration | 0.51 | 10.80 | 33.36 | 4.45 |
| B | Mr. Hitesh Sadh | | | | |
| | Remuneration | 0.36 | 7.20 | 22.24 | 2.96 |
| C | Mrs. Swarnalata Sadh | | | | |
| | Remuneration | 0.77 | - | - | - |
| D | M/s Sehej Saraa Fashion Pvt. Ltd. | | | | |
| | Purchases | 89.36 | - | - | - |
| | Sales | - | - | - | 0.04 |
| E | M/s Aastha Prints | | | | |
| | Purchases | - | 30.75 | 13.53 | 8.19 |
| | Labour Charges | - | - | 19.83 | 21.49 |
| F | M/s Trends & Fashion | | | | |

| | | | | | |
|--|------------------|------|------|------|---|
| | Labour Charges | 0.29 | - | - | - |
| 3. Transaction with Relatives of Key Management Personnel / Director | | | | | |
| A | Mrs. Purti Sadh | | | | |
| | Salary | - | 2.88 | 3.90 | - |
| B | Mrs. Prerna Sadh | | | | |
| | Salary | - | 3.14 | - | - |

DETAILS OF FINANCING ARRANGEMENT

There are no financing arrangements whereby the Promoters, member of Promoter Group, the Directors of the Company which a Promoter of the Issuer, the Director of our Company and their relative have financed the purchase by any other person of securities of our Company other than in the normal course of Business of the Financing entity during the period of six months immediately preceding the date of filing of this Draft Prospectus.

COST OF ACQUISITION & WEIGHTED AVERAGE COST

| Sr. No. | Name of the Promoters | No. of Equity Shares held | Average Cost of Acquisition per equity share (in Rs) |
|---------|------------------------------|---------------------------|--|
| 1 | Mr. Shrawankumar P. Sadh | 19,47,077 | 10 |
| 2 | Mr. Hitesh Shrawankumar Sadh | 23,76,832 | 10 |

PRE-IPO PLACEMENT

Our Company has not made any Pre-IPO Placement

ISSUE OF SHARE FOR CONSIDERATION OTHER THAN CASH

Our Company has not issued shares for consideration other than cash during last one year.

SPLIT / CONSOLIDATION

No Split or Consolidation has happened during the last one year.

SECTION II: RISK FACTORS

RISK FACTORS

Any investment in equity securities involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with section titled “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 96 and 175 respectively, as well as the other financial and statistical information contained in this Draft Prospectus.

Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.

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

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the consequences to you of an investment in the Equity Shares.

The financial information in this section is, unless otherwise stated, derived from our Restated Financial Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act 2013 and SEBI (ICDR) Regulations. The risk factors have been determined based on their materiality. Some events may not be material individually but may be found to be material collectively, some events may have a material impact qualitatively instead of quantitatively and some events may not be material at present but may have material impacts in the future.

Materiality

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

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

Note: The risk factors are disclosed as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section. In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “Risk Factors” and elsewhere in this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the Financial Statements prepared in accordance with the Indian Accounting Standards.

INTERNAL RISK FACTORS

1. **Our Company is party to certain legal proceedings. Any adverse decision in such proceedings may render us liable to penalties which may adversely affect our business, financial condition and reputation.**

Our Company is party to certain legal proceedings in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. We can give no assurance that these legal proceedings will be decided in our favor. We may incur significant expenses and management time in such legal proceedings. If any adverse developments arise, for example, a change in Indian law or rulings are passed against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. Any adverse decision taken by a court/tribunal may render us liable to penalties and may have a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

A classification of these legal and other proceedings is given in the following table:

| Sr. No. | Outstanding Litigations | Number of Cases | Financial implications to the extent quantifiable (Rs. in lakhs) |
|---------|------------------------------------|-----------------|--|
| 1. | Filed against our Company | | |
| | b. Tax | | |
| | Direct Tax | 1 | - |
| | Total | 1 | - |
| 2. | Filed against our Promoters | | |
| | b. Tax | | |
| | Direct Tax | 1 | 1.72 |
| | Total | 1 | 1.72 |
| 3. | Filed by our Promoters | | |
| | c. Civil | 1 | - |
| | d. Criminal | 1 | - |
| | Total | 2 | - |

The amounts mentioned above may be subject to additional interest/ penalties being levied by the concerned authorities for delay in making payment or otherwise. The amount of interest/ penalties that may be levied is unascertainable as on date of this Draft Prospectus. For further details regarding these legal proceedings, please refer to chapter titled “**Outstanding Litigations and Material Development**” on page 185 of this Draft Prospectus.

For further details regarding these legal proceedings, please refer to chapter titled “**Outstanding Litigations and Material Developments**” on page 185 of this Draft Prospectus.

2. We have experienced negative cash flows from our operating, investing and financing activities for few years

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

| Particular | As on September 12, 2018 | For the year ended on March 31, | | |
|--|--------------------------|---------------------------------|---------|----------|
| | | 2018 | 2017 | 2016 |
| Net Cash generated from Operating activities | (23.16) | 123.94 | (74.95) | 164.30 |
| Net Cash flow from Investing activities | (0.92) | (13.87) | 25.76 | (9.01) |
| Net Cash Flow from financing activities | (9.66) | (109.86) | 46.62 | (204.50) |

Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

3. Certain qualifications have been noted by our Auditors in their report on the Restated Financial Statements for non-provision for Gratuity Payment as required under the Payment of Gratuity Act 1972.

Our Auditors have provided certain qualifications in their report on the Restated Financial Statements for the period ended September 12, 2018 and the financial year ended March 31, 2018, 2017 and 2016 relating to the financial statements for our Company is as follows: As per Accounting Standard- 15 (Employee Benefits) issued by the Institute of Chartered Accountants of India, our Company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, our Company has not provided for gratuity

liability in the financial statement and has not taken any actuarial valuation report for this year. So we are not in position to provide effect in Restated financial statements and to that extent the profit & loss account of the company does not represent true & fair result of the company performance. Our Company has not complied with accounting standards 15 and Section 4A of the Payment of Gratuity Act, 1972, in the past. Although no show cause notice in respect of the same has been received by the Company till date. Any penalty imposed for such non-compliance could affect our financial conditions to that extent. In relation to gratuity we have not received any notice/communication from the relevant authority, for the previous defaults till date.

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

Our results of operations depend upon the continued demand by consumers for our products. We operate in an industry that is highly competitive and where customers' purchases are highly subjective and sensitive to trends and fashion tastes. Creativity and being abreast with the latest fashion trends are one of the key attributes for success in this industry. For our Company to remain competitive in respect of appealing designs, our designers have to keep themselves abreast 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 modify 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.

5. We are subject to the restrictive covenants of banks in respect of the Loan/Credit Limit and other banking facilities availed from them.

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lenders, regarding, among other things such as information about assets and financial condition of the Company and statements on total amount due and outstanding to other lenders, submission of quarterly stock and book debts and creditor's statement, happening of any event likely to have substantial effect on Company's business or profit, etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in certain of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

For further details on the Credit facilities availed by the Company, please see "*Financial Indebtedness*" on page 183 of the Draft Prospectus.

6. We have entered into, and may continue to enter into related party transactions and there can be no assurance that such transactions have been on favourable terms

Our Company has entered into related party transactions with our Promoters, Directors and the Promoter Group in past and for the period ended September 12, 2018. While our Company believes that all such transactions have been conducted on arms-length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to "Annexure 29 - Related Party Transactions" under section titled "Financial Statements as restated" on page 147 of this Draft Prospectus.

7. Our Company operates under several statutory and regulatory permits, licenses and approvals. Our inability to obtain, renew or maintain the statutory and regulatory licenses permits and approvals required to operate our business may have an adverse effect on our business & operations

We require certain statutory and regulatory permits and approvals to undertake our business activities. We are required to renew such permits and approvals, from time to time, and will be required to obtain new permits and approval, if we increase the scope of our business.

Certain statutory and regulatory permits, licenses and approvals are still in the name of our Partnership Firm which has been converted into our Company in September 2018. While we have made, or are in the process of making, applications for the transfer/registration of some of such permits, licenses and approvals in the name of our Company,

there can be no assurance that we will be able to obtain any such transfer / registration in a timely manner or at all. Further, we have not made applications for the transfer / registration applications of some of such permits, licenses and approvals in the name of our Company. Any failure or delay in obtaining such approvals, permits and licenses, or the transfer/registration thereof in the name of our Company, may affect our ability to continue our operations, which may in turn have an adverse effect on our business and results of operations.

For more information on the status of our material statutory and regulatory permits, please refer to the Chapter titled “**Government and Other Approvals**” beginning on page 190 of this Draft Prospectus.

8. We are highly dependent upon few suppliers for our raw material for our current manufacturing facilities. In an eventuality where our suppliers are unable to deliver us the required materials in a time-bound manner it may have a material adverse effect on our business operations and profitability.

For the Financial Year ended as on March 31, 2018, our top 10 suppliers contributed around 76.94% and top 5 suppliers contributed around 61.92% of our purchases. In the event of a delay, inadequacy or default in deliveries by any of our vendors, we may not be able to source our raw material on an adequate and timely basis or on commercially acceptable terms. A major disruption to the timely and adequate supplies of our raw materials could adversely affect our production and thereby our business, results of operations and financial condition. Any problems faced by our suppliers in their manufacturing facilities resulting in delays or non-adherence to quality requirements could adversely impact our ability to meet our customers’ requirements in time and our operations would be affected to the extent we are unable to line up supplies from alternate suppliers.

9. We may suffer loss of income, if our products/designs are duplicated by our competitors.

As our industry is fashion oriented, there is constant need for updating and innovation. Hence, designs in our industry change on a frequent basis. Our success highly depends upon the adaptability of the designs as per the latest trends and the acceptance of the product in the market. If any of our designs hits the market and receives over whelming response, our competitors may tend to copy our design to increase their market share and revenues and take due advantage; thus hampering market. Since our designs are not registered, we may not be able to claim our rights over it and could suffer loss of income thereby affecting our results of operations.

10. We do not generally enter into long term supply agreements with our suppliers for supply of material accordingly may face disruptions in supply from our current suppliers.

We are dependent on our suppliers for our materials requirements. However, we do not have any long-term supply agreements or contracts or commitments in relation to the same or for any other materials used in our fabrication process. Any interruptions in the manufacturing operations of the suppliers could affect our ability to receive an adequate supply of quality products at reasonable prices. Additionally, any price volatility of these materials and our inability to adjust to the same could adversely affect our results of operations and profitability. Further any deterioration in the quality of the material procured could adversely affect our results of operations and profitability.

11. We could become liable to our customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand and our sales could be diminished if we are associated with negative publicity.

Also, our business is dependent on the trust of our customer have in quality of our products. Any negative publicity regarding our company, brand or products, including those arising from drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

12. Exchange rate fluctuations may adversely affect the Company's financial performance

Since, we export more than 90% of our products in international markets, our Company is exposed to foreign exchange rate risks primarily in relation to the export of products. Accordingly, adverse movements in foreign exchange rates may increase procurement costs and adversely affect the Company's results of operations. While our Company has been hedging itself against the currency fluctuations in order to appropriately mitigate risks, which we believe is adequate to protect the Company from such fluctuations, there can be no assurance that the risks arising out of the same can be fully mitigated.

13. We operate in a highly competitive environment and may not be able to maintain our market position, which may adversely impact our business, results of operations and financial condition

The apparel industry in particular, is highly and increasingly competitive and our results of operations and financial condition are sensitive to, and may be materially adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. We compete directly against direct retailers of apparel, diversified apparel companies with substantial market share, established companies selling internationally renowned brands, as well as against domestic retailers and regional competitors. Many of our competitors are large apparel companies with strong brand recognition.

However, the domestic apparel segment is fragmented and continues to be dominated by unorganised and regional suppliers. We believe that in order to compete effectively, we must maintain our brand image and reputation, be flexible and innovative in responding to rapidly changing market demands and consumer preferences and offer consumers a wide variety of high quality apparel at competitive prices.

Many of our competitors, have significant competitive advantages, including longer operating histories, larger and broader customer bases, more established relationships with a broader set of suppliers, greater brand recognition and greater financial, research and development, marketing, distribution and other resources than we do. Our competitors also may be able to respond more quickly and effectively than we can to new or changing opportunities, standards or consumer preferences, which could result in a decline in our revenues and market share. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

14. A significant portion of our revenues is derived from the exports of our products and any reduction in the exports may adversely affect our revenues, business, results of operations and prospects

The exports of our products contributed 87.14 % and 97.16 %, 98.60 % and 99.48 % of our revenues from operations (net) for the period ended September 12, 2018 and the Fiscals 2018, 2017 and 2016, respectively. While we have experienced growth of our operations through exports, we currently, and expect to, continue for the short and medium term to, depend on our revenues from exports of our products. We may experience reduction in cash flows and liquidity, and our results of operations may be adversely affected, if our exports and revenues in this consumer sub-category are reduced for any reason.

15. Our historical revenues have been significantly dependent on our few customers and our inability to maintain such business may have an adverse effect on our results of operations.

For the year ended March 31, 2018, sales to our top 10 customers contributed around 98.21% and top 5 customers contributed around 89.73% of our revenues from operations. Our business from customers is dependent on our continuing relationship with such customers, the quality of our products and our ability to deliver on their orders, and there can be no assurance that such customers will continue to do business with us in the future on commercially acceptable terms or at all. If our customers do not continue to purchase products from us, or reduce the volume of products purchased from us, our business prospects, results of operations and financial condition may be adversely affected. Significant dependence on them may increase the potential volatility of our results of operations and exposure to individual contract risks. In the event that any of these customers discontinue purchase of products from us, our results of operations and financial condition may be adversely affected.

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

As on date, we have not made any alternate arrangements for meeting our working capital requirements for the Objects of the Issue. Further, we have not identified any alternate source of working capital funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds could adversely affect our growth plans. We meet our working capital requirements through our owned funds, internal accruals and debt. Any shortfall in our net owned funds, internal accruals and our inability to raise debt would result in us being unable to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations. For further details please refer to the chapter titled “*Objects of the Issue*” beginning on page 66 of this Draft Prospectus.

17. The corporate office, Showroom and factory premises of our Company are not owned by us

The Corporate office and showroom at Unit No A-2/79/178, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai- 400013, Maharashtra, India and factory premises of our Company at BTS 68, 01 ground floor SK International, HDIL Industrial Park, Chandansar, Virar East-401305, Palghar Maharashtra, India is owned by our Promoters, namely Mr. Hitesh Shrawankumar Sadh and Mr. Shrawankumar P. Sadh and the said premises have been taken by our Company on leasehold /leave and license basis for 60 months starting from January 04, 2019. In the event of expiry, non-renewal or early termination of the lease/ leave and license arrangement or in case of disassociation of our promoters with our Company, we may have to vacate the said premises at a short notice. Further we will be required to return the said premises to the Licensor, unless renewed. There can be no assurance that the term of the agreements will be renewed and in the event the Licensor terminates or does not renew the agreements on commercially acceptable terms, or at all, and we are required to vacate our offices, we may be required to identify alternative premises and enter into fresh lease or leave and license agreement. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability.

18. Competition from Other established competitors

Our Company’s business is driven with various factors like intense competition from established as well as unorganized players. Our competition depends on several factors which includes quality, price and most importantly to upgrade with the latest trend to reap optimum sales.

We believe that we operate a comprehensive business model encompassing scarves & beachwear. We operate in unrecognized highly competitive market. Even with a diversified product portfolio and quality approach we have to face intense competitive pressures.

Our competition varies for our products and regions. We compete with other manufacturers on the basis of product range, product quality, and product price including factors, based on reputation, regional needs, and customer convenience. While these factors are key parameters in client’s decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals.

. Our Company faces competition from several other domestic and foreign brands present in the market as also new brands that may enter in the market in the future.

19. All our locations including registered office, manufacturing unit and warehouses are currently located in Mumbai and Palghar dist. of Maharashtra. Any significant disruption, due to social, political or economic factors or natural calamities or civil disruptions in this region may have an adverse effect on our business and prospect.

All our locations including registered office, manufacturing unit and warehouses are currently located in Mumbai and Palghar dist. in Maharashtra respectively and any significant disruption, due to social, political or economic factors or natural calamities or civil disruptions, impacting this region may adversely affect operations. Further, our factory and 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. Our distributors and franchisees rely significantly on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Any disruption of operations at our factory and 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 or if there is a lapse in coordination across stores located countrywide, our business, financial condition and prospects may be adversely affected.

20. Our business is seasonal in nature in domestic market with the October-December quarter being our best quarter. Any substantial decrease in our sales during this quarter can have a material adverse impact on our financial performance.

Currently, we are engaged mainly in Exports business of scarves and beachwear and entered in domestic business where our business exhibits seasonality due to the bunching up of festivals in the third quarter of our financial year (October-December quarter) in India, in which historically we have reported higher sales. Also, in export business in summer season our sales increases as compared to other season. We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Fiscal. Typically, we see an increase in our business before Diwali and during end of season sales. Any substantial decrease in sales other than the October-December quarter could have a material adverse effect on our financial condition and results of operations.

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

We believe that our Company is amongst one of the manufacturers and exporters in scarves and beachwear based in Mumbai, India. Our Company is engaged in manufacturing and marketing of women and men's apparels like scarves, shawls, sarongs, headband & bandanas, Beachwear garments in all qualities like silk, viscose, cotton, polyester & wool and have recently entered into the kids wear and the women's apparel industry in India, particularly for ethnic and non-western apparel, is fragmented and competitive with several regional brands and retailers present in local markets across the country. The women's apparel 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. We also face competition from in-house brands launched by large format stores including those launched by large format stores through which we retail our products. Any increase in sale of such in-house brands launched by large format stores or preference given to such brands by our large format store partners may have an adverse impact on our business and results of operations. Some of our competitors may be larger than us 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 with-stand 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. 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 market share. Our competitors may significantly increase their advertising 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 may have an adverse effect on our business, results of operations and financial condition. See ***"Our Industry"*** on page 180 of this Draft Prospectus.

22. We are dependent on our Promoter, Management and key personnel and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

Our performance depends largely on the efforts and abilities of our Promoters and our Managing Director, and other key personnel. We believe that the inputs and experience of our Management are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation and provide bonuses and perquisites more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons, and the inability to find suitable replacements in a timely manner, may have an adverse effect on our business and our results of operations. The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operations and financial condition.

23. Conflicts of interest may arise out of common business objects shared by our Company and our Promoter Group entities

Some of our Promoter Group entities are in the same line of business as our Company. Those promoter group members may compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such conflicts could have a material adverse effect on our reputation, business, results of our operations. For further details please refer to the chapter titled ***“Promoter and Promoter Group”*** beginning on page 66 of this Draft Prospectus.

24. 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.

We seek to grow our retail network and product reach to new geographies and intend to grow the sales of our products to customers. Further, expansion into new international markets is important to our long-term growth. 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, our inexperience with such markets and currency exchange rate fluctuations. These and other risks could adversely affect any international expansion or growth, which could have an adverse effect on our business, results of operations and financial condition.

25. Any failure in our quality control processes may have an adverse effect on 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 quality issues or undetected errors or defects, resulting from the design or manufacture of the product or raw materials used in the product as per international standard. We have implemented quality control processes and regularly conduct inspections of raw materials sourced from suppliers and finished products manufactured by us on the basis of our internal quality standards. However, we cannot assure you that we may adhere to such standards and that our quality control processes will not fail or the quality tests and inspections conducted by us are 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. For our Domestic Business We may, exchanged products sold to our customers due to quality defects, or otherwise, in accordance with our exchange and returns policy. 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, we may be required to recall or exchange such products at additional cost to us and our reputation may be impacted, 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 various entities including customers, large format stores and online retailers, 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 which could have a material adverse effect on our business, financial condition, results of operations and prospects.

26. Our inability to protect or use our intellectual property rights may adversely affect our business

We have applied for, but not yet obtained registration with respect to certain trademarks. We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name, packaging material and attempting to create counterfeit products. We believe that there may be other companies or vendors which operate in the unorganized segment using our trade name or brand names. Any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

27. Our inability to protect or use our intellectual property rights may adversely affect our business as Trademark of our logo and brand is not registered and we are in the process of seeking registration of trademark of our logo.

There is no assurance that this application shall result in us being granted registration in a timely manner. Failure to protect our intellectual property may adversely affect our reputation, goodwill and business operations

Our Company's business is driven by the value of our brands. Our Company has our primary apparel brands, namely  SK INTERNATIONAL EXPORT, and newly launched own domestic brand  Sandkastle for Beachwear/Holiday wear garments. Our logo and brand, has not been registered and objected and as a result of the same the use of the words "SK International Export Limited" in the corporate and trading names by any third parties may lead consumers to confuse them with our Company and if they experience any negative publicity, it could have an adverse effect on our business, results of operations and financial condition. We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name, packaging material and attempting to create counterfeit products. We believe that there may be other companies or vendors which operate in the unorganized segment using our trade name or brand names. Any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. This confusion might also lead to our Company losing business to such competitors and might adversely affect our goodwill. Further, since it is not registered we do not enjoy the statutory protections accorded to a registered trademark and are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party. Maintaining the reputation of our brands, corporate name, logo and the goodwill associated with these trademarks is critical to our success. Substantial erosion in the value of our brand names could have a material adverse effect on our business, financial condition, results of operations and prospects. For further details please refer to section titled "**Government and Other Approvals**" on page no. 190 of this Draft Prospectus.

28. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control.

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, or the requirement for us to appoint a monitoring agency in terms of the SEBI ICDR Regulations, our funding requirements may be subject to change based on various factors which are beyond our control. For further details, please see the section titled "Objects of the Issue" beginning on page 66 of this Draft Prospectus.

29. If we are not able to implement our growth strategies or manage our growth, our business and financial condition could be adversely affected.

We have a strategy to grow our portfolio substantially. Such a growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. We cannot assure you that we will be able to execute this strategy within the estimated budget, or as anticipated by us. Our failure to execute our growth strategy may result in our inability to increase or even maintain our prior rates of growth. As we expand our operations, we may be unable to manage our business efficiently, which could result in delays, increased costs and affect the quality of our projects, and may adversely affect our reputation. Such expansion also increases the challenges involved in preserving a uniform culture, our set of values and work environment across our business operations, developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems, recruiting, training and retaining management, technical and marketing personnel, and adhering to certain health, safety, and environmental standards. Our failure to manage our growth could have an adverse effect on our business and financial condition.

30. Our Promoters will continue to retain majority shareholding in our Company after this Issue which will allow it to exercise significant influence over us.

Our Promoters have control over our Company in terms of their shareholding, through our Board of Directors and through operational control. Accordingly, our promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board of Directors, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all our assets, and the policies for dividends, lending, investments and capital expenditure. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make the completion of certain transactions

more difficult or impossible without the support of these shareholders. We also cannot control the actions of our Promoters, including any non-performance, default by or bankruptcy. In order to establish or preserve relationships with our Promoter, we may agree to assume risks and contribute resources that are proportionately greater than the returns we expect to receive in such transactions. Such agreements may reduce our income and returns on these investments compared to what we would have received if our assumed risks and contributed resources were proportionate to our returns. Any of these factors could potentially materially and adversely affect our operations and profitability.

31. Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected

Some of the agreements to which the Company is a party may not be adequately stamped or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying differential stamp duty and/or penalty for inadequate stamping. The effect of non-registration of an instrument is that the title to the property does not transfer in favor of the transferee and therefore, making the instrument unenforceable. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

32. The loss or shutdown of operations at our factory premises may have a material adverse effect on our business, financial condition and results of operations

Our factory premises are subject to various operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant state government authorities. The occurrence of any of these risks could significantly affect our operating results. Further, our results of operations are also dependent on the successful operation of our manufacturing facilities. Long periods of business disruption could result in a loss of customers and erosion of our brand name. Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our manufacturing facilities, including due to any of the factors mentioned above.

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

Modernization and technology up gradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed upgraded technology and that the chances of a technological innovation are not very high in our sector we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of a new found technology in the fabrication business, we may be required to implement new technology or upgrade the machineries and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations. For further details, kindly refer section titled "Our Business" beginning on page 96 of this Draft Prospectus.

34. 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 conditions.

Defects, if any, in our products could lead to rejection of sold products and consequential replacement liability. In the event our Company fails to replace the defective products in a timely or at all, the same could consequently lead to a negative publicity of our product thereby affecting our value, our business, results of operations, or financial condition. We cannot assure you that 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.

35. Any delay or default in payment from our customers could result in the reduction of our profits and affect our cash flows

Our operations involve extending credit, to our customers in respect of our products. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Accordingly, we had and may continue to have high levels of outstanding receivables. For the period ended September 12, 2018 and fiscal years ended 2017-18, 2016-17, 2015-16, our trade receivables were, Rs. 158.12 Lakhs, Rs. 11.42 Lakhs, Rs. 57.29 Lakhs and Rs. 62.75 Lakhs,

respectively, which is equivalent to 37.44%, 1.35%, 7.11% and 7.06% respectively of our total revenues for the same periods respectively as per restated standalone financial statements.

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

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only for Issue size above Rs. 10,000.00 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

37. Our insurance coverage may not adequately protect us against certain operating risks and this may have as adverse effect on the results of our business

Our policies for covering these risks through insurance may not always be effective or adequate. We may not have identified every risk and further may not be insured against every risk, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies or losses arising from events or risks not covered by insurance policies or due to the same being inadequate, could materially harm our financial condition and future results of operations. There can be no assurance that any claims filed will be honoured fully or timely under our insurance policies. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage. In addition, we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at all. For details on insurance policies taken by our Company please see page 96 in chapter titled “*Our Business*” of Draft Prospectus.

38. Our ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure

Our Company has not been paying dividend as the status was of partnership firm. The amount of our future dividend payments, if any, will depend upon our Company’s future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends or not in the foreseeable future.

External Risk Factors

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

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

40. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

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 services may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors, including political instability, terrorism or military conflict, global economic uncertainty and liquidity crisis and volatility in exchange currency rates. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows.

Further, a change in the government or a change in the macro-economic policies may adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular. High rates of inflation in India may increase our costs without proportionately increasing our revenues thereby decreasing our operating margins which may adversely affect our business, financial conditions and results of operations.

41. Various trade restrictions and sanctions may materially and adversely affect our business, financial condition and results of operations.

Our Company is engaged in Manufacturing and trading of women and men's apparels like scarves, shawls, sarongs, headband & bandanas, Beachwear garments in all qualities like silk, viscose, cotton, polyester & wool. We have also entered into the Kids segment, Baby wear, shawls, Pareos, night wear and fashion accessories and also ethnic wears like Salwar Kameez & dupattas. Our business may be affected by trade restrictions implemented by countries or territories in which our customers are located. Further, we are subject to risks relating to changes in trade policies, tariff regulations, or other trade restrictions which can adversely impact trade volume between countries and within the country. At an international level, there may be trade restrictions imposed on sanctioned countries by other countries and international organizations, which may affect our business. In addition, international trade, political issues and conflicts may cause delays and interruptions to cross-border transportation and result in limitations on our geographical coverage. If we are unable to perform our services to and from countries with trade restrictions in a timely manner or at all, it may lead to a decrease in our operating margins which may adversely affect our business, financial conditions and results of operations.

42. Our ability to raise capital outside India may be constrained by Indian law, which may adversely affect our financial condition, results of operations and prospects.

Under India's policy on external commercial borrowing ("ECB"), as notified by the RBI and currently in force ("ECB Policy"), ECB by an eligible borrower under the manufacturing sector is permitted under the automatic route up to US\$ 750 million in a year, with a minimum average maturity of one year for ECB up to US\$ 50 million for companies in the manufacturing sector, three years for ECB up to US\$ 50 million and five years for ECB beyond US\$ 50 million, for permissible end-uses. End uses for ECB which are not permitted include investment in capital market, equity investment in India, working capital, general corporate purposes, repayment of existing Indian Rupee denominated borrowings, investment in real estate or purchase of land (except when used for affordable housing as defined in the Harmonised Master List of Infrastructure Sub-sectors notified by Government of India, construction and development of SEZ and industrial parks/integrated townships) and on-lending or investment for acquisition of a company or part thereof (other than an overseas subsidiary or joint venture, subject to existing laws and regulations governing overseas direct investment by Indian companies). Further, the ECB Policy limits the all-in-cost with a spread over 450 basis points per annum over the London Interbank Offered Rate for six months or applicable benchmark for the respective currency. ECB not complying with these requirements is permitted with prior approval of the RBI, in accordance with the ECB Policy. In addition, there are certain routine procedural and disclosure requirements in relation to any such ECB.

These limitations on ECB may constrain our ability to raise cost effective funding for implementing asset purchases, refinancing existing indebtedness, or financing acquisitions and other strategic transactions in the future, which may adversely affect our business, financial condition, results of operations and prospects.

43. Financial instability in other countries may cause increased volatility in the Indian financial markets. In the event that the current difficult conditions in the global credit markets continue or if there are any significant financial disruptions, such conditions may materially and adversely affect our business, future financial performance and the trading price of the Equity Shares.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe 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 adverse effects on the securities of companies in other countries, including India. Recently, the currencies of a few Asian countries including India suffered depreciation against the U.S. Dollar owing to amongst other reasons, the announcement by the U.S. government reducing its quantitative easing measures.

A loss of 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 worldwide financial instability could

also have a negative impact on the Indian economy. Financial disruptions could occur again and may harm our business, future financial performance and the prices of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. The dislocation of the sub-prime mortgage loan market in the United States since September 2008, and the more recent European sovereign debt crisis, has led to increased liquidity and credit concerns and volatility in the global credit and financial markets. These and other related events have had a significant adverse effect on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. Recent concerns relating to the U.S. Federal Reserve's decision to raise interest rates in the United States have led to increased volatility, particularly in the stock and currency markets in emerging economies. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects, and therefore, if such liquidity and credit concerns, financial volatility or disruptions occur again, our business, our future financial performance and the prices of the Equity Shares may be adversely affected. Further, in the event that the current difficult conditions in the global credit markets continue or if there are any significant financial disruption, our lenders may implement new credit policies, adopt new pre-qualification criteria or procedures, raise interest rates or add restrictive covenants in loan agreements, some or all of which may significantly increase our financing costs. Such conditions may material and adversely affect our business, future financial performance and the trading price of the Equity Shares.

44. The occurrence of natural or man-made disasters may adversely affect our business, results of operations and financial condition.

Given the nature of our operations and the mobility required in meeting customer demands, the occurrence of natural disasters, including hurricanes, floods, tsunamis, earthquakes, tornadoes, fires, explosions, pandemic disease and manmade disasters, including acts of terrorism and military actions, may adversely affect our financial condition or results of operations. We are particularly susceptible to accidents, system failures, adverse geological, ecological or weather conditions, natural disasters, demographic and population changes and other unforeseen events and circumstances across India. While we are covered by our insurance policies for such contingencies, any disruptions, damage or destruction of our facilities may temporarily affect our ability to meet our clients' demand and the loss of any one of our key clients or a significant reduction in demand from clients located in these locations may adversely affect our business, results of operations and financial condition.

45. Terrorist attacks, communal disturbances, civil terrorist attacks and other acts of violence or war involving may adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, and adversely affect our business. Some of the locations we operate in have witnessed civil unrest including communal disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events may have a negative impact on us. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on our business and the price of our Equity Shares. Further, we cannot predict the effects on our business of heightened security measures, threatened terrorist attacks, efforts to combat terrorism, military action against a foreign state or other similar events. It is possible that one or more of these events could be directed at Indian or foreign ports, borders, railroads or highways. Heightened security measures or other events are likely to slow the movement of freight, within or across Indian States and may adversely affect our business and results of operations. Any of these events could also negatively affect the economy and consumer confidence, which could cause a downturn in the transportation industry. In addition, any deterioration in the relations between India and its neighbouring countries may result in investor concern about stability in the region, which may materially and adversely affect the price of our Equity Shares.

46. It may not be possible for investors outside India to enforce any judgment obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India.

Our Company is incorporated under the laws of India. Our Company's assets are primarily located in India and all of our Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Recognition and enforcement of foreign judgements are provided for under Section 13 of the Civil Procedure Code ("CPC") on a statutory basis. Section 13 of the CPC provides that foreign judgements shall be conclusive regarding any matter directly adjudicated upon, except (i) where the judgement has not been pronounced by a court of competent jurisdiction; (ii) the judgement has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgement is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgement was obtained were opposed to natural justice; (v) where the judgement has been obtained by fraud; or (vi) where the judgement sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgement, presume that the judgement was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, including the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "Civil Code"). The Civil Code only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favor such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgements, other than arbitration awards, in civil and commercial matters. Therefore, a final judgement for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely on the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgement is rendered may bring a new suit in a competent court in India based on a final judgement that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgement in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgement if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgements that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgement in India is required to obtain approval from the RBI under FEMA to execute such a judgement or to repatriate any amount recovered.

47. If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business and results of operations.

Having our business operations in multiple jurisdictions, we are subject to varying central and state tax regimes. The applicable categories of taxes and tax rates also vary significantly from jurisdiction to jurisdiction, which may be amended from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each country as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditure incurred. Our business and financial performance may be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business or the regulator enforcing them in any one of those countries may adversely affect our results of operations. For instance, as of July 1, 2017, GST in India replaced taxes levied by central and state governments with a unified tax regime in respect of the supply of goods and services for all of India, which we believe will result in fundamental changes to India's third-party logistics industry. To the extent that we are entitled to certain tax benefits in India which are available for a limited period of time, our profitability will be affected if such benefits will no longer be available, or are reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event we are

unable to comply with the conditions required to be complied with in order to avail ourselves of each of these benefits. See “*Statement of Special Tax Benefits*” beginning on page 74 of this Draft Prospectus for details in relation to possible tax benefits available to our Company. In the event that any adverse development in the law or the manner of its implementation affects our ability to benefit from these tax incentives, our business, results of operations, financial condition and prospects may be adversely affected. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time and any adverse changes in any of the taxes levied by the Government of India may adversely affect our competitive position and profitability. We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. We are also subject to these risks in all our overseas operations depending on each specific country. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and financial performance. Further, changes in capital gains tax or tax on capital market transactions or sale of shares may affect investor returns.

48. Our business and the price of the Equity Shares may be adversely affected by the implementation of GAAR.

The Government of India has also proposed provisions relating to GAAR which came into effect from April 1, 2017. The GAAR provisions intend to catch arrangements declared as “impermissible avoidance arrangements”, which is any arrangement the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests:

- (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length;
- (ii) results in misuse, or abuse, of the provisions of the tax laws;
- (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or
- (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes.

The onus to prove that the transaction is not an “impermissible avoidance agreement” is on the assessee, i.e., an arrangement shall be presumed, unless it is proved to the contrary by the assessee, to have been entered into, or carried out, for the main purpose of obtaining a tax benefit, if the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, notwithstanding the fact that the main purpose of the whole arrangement is not to obtain a tax benefit. If GAAR provisions are invoked, then the tax authorities will have wide powers, including denial of tax benefit or a benefit under a tax treaty which may have an adverse tax impact on us.

49. Public companies in India, including our Company, are required to compute income tax under the ICDS. The transition to ICDS in India is very recent and we may be negatively affected by such transition.

The Ministry of Finance had issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. However, the Central Board of Direct Taxes (“CBDT”), Ministry of Finance of India, according to its press release dated July 6, 2016, had deferred the applicability of the ICDS with fiscal 2017 being the first assessment year. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and IND AS. It is often seen that ICDS based calculations of taxable income can differ from Indian GAAP or IND AS-based concepts and they can have the effect of requiring taxable income to be recognized earlier, increasing overall levels of taxation or both. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operation and financial conditions.

50. Any downgrading of our debt ratings or of India’s sovereign debt rating may adversely affect our business.

Any downgrading of our credit ratings may increase interest rates on our outstanding debt, increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and materially and adversely affect our ability to raise new capital on a competitive basis, which may adversely affect our profitability and future growth. In addition, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. This may materially and adversely affect our capital expenditure plans, business and future financial performance and our ability to fund our growth in future.

51. *The ability of Indian companies to raise foreign capital may be constrained by Indian law.*

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.

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

In the recent past, India has experienced fluctuating wholesale price inflation as compared to historical levels due to the global economic downturn. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, prices of raw materials or any other expenses that we incur. We cannot assure you that we will be able to pass on any additional expenses to our patients 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.

Risks Relating to the Equity Shares and the Issue

53. *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. The Issue Price of the Equity Shares is proposed to be determined through a fixed price process 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. Further, the trading prices of publicly traded securities may be highly volatile. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors:

- a) Volatility in the Indian and global securities markets;
- b) Increases and decreases in our customer base or announcements of new services, strategic alliances or agreements by us or by our competitors;
- c) speculation in the press or investment community about, or actual changes in, our business, strategic position, market share, organizational structure, operations, financial condition, financial reporting and results, prospects, or executive team;
- d) changes in estimates of our performance by financial or securities analysts that elect to research and report on the Equity Shares or guidance provided by us, and variations between actual and estimated financial results;
- e) New laws and government regulations applicable to the industry we operate in;
- f) Additions or departures of key management personnel;
- g) Announcements by third parties of significant claims or proceedings against us
- h) significant developments in India's economic liberalization and deregulation policies or significant developments in India's fiscal regulations or adoption or modification of regulations, policies, procedures or programs applicable to our businesses; or
- i) Adverse media reports on us or the sector we operate in.

General or industry-specific market conditions or stock market performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance may also affect the price of our Equity Shares. If the stock markets experience a loss of investor confidence, the trading price of our Equity Shares may decline for reasons unrelated to our business, financial condition or operating results. Each of these factors, among others, may adversely affect the trading price of our Equity Shares.

54. 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. Under the Companies Act, prior to issuance of any new equity shares, a public limited company incorporated under Indian law must offer its equity shareholders preemptive rights to subscribe to a proportionate number of equity shares to maintain existing ownership, unless such preemptive rights are waived by a special resolution by a three-fourths majority of the equity shareholders voting on such resolution. However, if you are a foreign investor and the law of the foreign jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such foreign jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file an offering document or a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company may be reduced.

55. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. However, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if Securities Transaction Tax ("STT") is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on such long term capital gains exceeding ₹ 100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

56. Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Foreign ownership of Indian securities is subject to Government regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the RBI. Additionally, any person who seeks to convert the Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable)

price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

57. Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders 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 us, including through exercise of employee stock options may dilute your shareholding in our Company, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other significant shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising debt or equity financing. In addition, any perception by investors that such issuances or sales might occur may also affect the trading price of our Equity Shares. We cannot assure you that we will not offer Equity Shares or that our shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

58. We may not receive final listing and trading approvals from the Stock Exchange and you will not be able to sell immediately on an Indian Stock Exchange any of the Equity Shares you are allotted in the Issue.

Under the SEBI ICDR Regulations, we are permitted to list the Equity Shares within six working days of the Bid/Issue Closing Date. Consequently, the Equity Shares you purchase in the Issue may not be credited to your dematerialized electronic account with Depository Participants until approximately six working days after the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your dematerialized electronic account and final listing and trading approvals are received from the Stock Exchanges. In accordance with Indian law and practice, final listing and trading approval of our Equity Shares will not be applied for, or granted until after those Equity Shares have been offered and allotted. Approval will require all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing our Equity Shares on the stock Exchange. There can be no assurance that final listing and trading approvals will be obtained from the Stock Exchange on time or at all. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares.

Further, there can be no assurance that the Equity Shares allocated to you will be credited to your dematerialized electronic account, or that trading in the Equity Shares will commence within the specified time periods. In addition, pursuant to India regulations, certain actions are required to be completed before the Equity Shares can be listed and trading may commence. Investors' book entry or dematerialized electronic accounts with Depository Participants in India are expected to be credited only after the date on which the Issue and allotment is approved by our Board of Directors. There can be no assurance that the Equity Shares allocated to prospective Investors will be credited to their dematerialized electronic accounts, or that trading will commence on time after allotment has been approved by our Board of Directors, or at all.

59. Our Equity Shares are quoted in Indian Rupees in India, and therefore investors may be subject to potential losses arising out of exchange rate risk on the Indian Rupee and risks associated with the conversion of Indian Rupee proceeds into foreign currency.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. 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 have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

60. Statistical and industry data in this Draft Prospectus may be inaccurate, incomplete or unreliable.

We have not independently verified data obtained from industry publications and other sources referred to in this Draft Prospectus. This Draft Prospectus includes information that is derived from the website of IBEF and other relevant

sources. Neither we, nor LM, nor any other person connected with the Offer has verified the information in the website of IBEF and other sources. These information 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. 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 information from website of IBEF are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Prospectus. Further, the IBEF Report is not a recommendation to invest or disinvest in our Company. Prospective investors are advised not to unduly rely on the information of IBEF or extracts thereof as included in this Draft Prospectus, when making their investment decisions.

Prominent Notes to Risk Factors

1. Public Issue of 19,80,000 equity shares of face value Rs.10/- each of SK International Export Limited for cash at a price of Rs.20/- per Equity Share (the "Issue Price"), including a share premium of Rs.10/- per equity share aggregating up to Rs.396.00 Lakh.
2. The Net Asset Value per Equity Share of our Company as per the Restated Financial Information as of March 31, 2018 is Rs.9.66 and 12th September 2018 is Rs.10.10. For further details, please refer to Annexure 28 (Statement of Mandatory Accounting Ratio) in Section titled, Financial Statements and Basis of Issue Price on page no 147 & 71 of this Draft Prospectus.
3. The Net Worth of our Company as per the Restated Financial Information as of on March 31, 2018 is Rs. 516.81 Lakhs and as on 12th September 2018 is Rs. 540.67 Lakhs. For further details, please refer to the Section titled, "Financial Statements as Restated", beginning on page no 147 of this Draft Prospectus.
4. The average cost of acquisition per Equity Share of our Promoters is set out below:

| Sr. No. | Name of the Promoters | No. of Equity Shares held | Average Cost of Acquisition per equity share (in Rs) |
|---------|------------------------------|---------------------------|--|
| 1 | Mr. Shrawankumar P. Sadh | 19,47,077 | 10 |
| 2 | Mr. Hitesh Shrawankumar Sadh | 23,76,832 | 10 |

5. For further details, please refer to Section titled, "*Capital Structure*", beginning on page no 55 of this Draft Prospectus.
6. Except as mentioned in the chapter titled "*History and Certain Corporate Matters*", beginning on page no 40, there has been no change of name of our Company at any time during the last three (3) years immediately preceding the date of filing Draft Prospectus.
7. There has been no financing arrangement whereby our Directors or any of their respective relatives have financed the purchase by any other person of securities of our Company during the six (6) months preceding the date of this Draft Prospectus.
8. The details of transactions of our Company with related parties, nature of transactions and the cumulative value of transactions please refer to Related Party Transaction under Section titled, Financial Statements as Restated, of the standalone financial statement beginning on page no 147 of this Draft Prospectus.
9. Except as stated under the Section titled, **Capital Structure**, beginning on page no 55 of this Draft Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
10. For information on changes in the Company's name and Objects Clause of the Memorandum of Association of our Company, please refer to the Section titled, **Our History and Certain Corporate Matters**, beginning on page no. 123 of this Draft Prospectus.
11. All grievances in relation to the application through ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Applicant, ASBA Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder, ASBA Account number in which the amount equivalent to the Bid Amount was blocked and UPI ID used by the Retail Individual Investors. Further, the Applicant shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

Except as disclosed in the Sections titled, **Capital Structure**, **Our Promoters and Promoter Group**, **Group Entities of our Company** and **Our Management**, beginning on page no 55, 139, 144 and 127, respectively, of this Draft Prospectus, none of our Promoters, Directors or Key Managerial Personnel has any interest in our Company.

SECTION III: INTRODUCTION

THE ISSUE

The following is the summary of the Issue.

| | |
|--|---|
| Issue of Equity Shares | Upto 19,80,000 Equity Shares of Rs. 10.00 each fully paid-up of our Company for cash at a price of Rs. 20.00 each Equity Share aggregating to Rs. 396.00 Lakhs. |
| Out of which: | |
| Market Maker Reservation Portion | Upto 1,02,000 Equity Shares of Rs. 10.00 each fully paid-up of our Company for cash at a price of Rs. 20.00 each Equity Share aggregating to Rs. 20.40 Lakhs. |
| Net Issue to the Public | Upto 18,78,000 Equity Shares of Rs. 10.00 each fully paid-up of our Company for cash at a price of Rs. 20.00 each Equity Share aggregating to Rs. 375.60 Lakhs. |
| Out of which: | |
| Allocation to Retail Individual Investors for upto ₹2.00 lakh | 9,42,000 Equity Shares of Rs. 10.00 each fully paid-up of our Company for cash at a price of Rs. 20.00 each Equity Share aggregating to Rs. 188.40 Lakhs. |
| Allocation to other investors for above ₹2.00 Lakhs | 9,36,000 Equity Shares of Rs. 10.00 each fully paid-up of our Company for cash at a price of Rs. 20.00 each Equity Share aggregating to Rs. 187.20 Lakhs. |
| Pre and Post-Issue Equity Shares | |
| Equity Shares outstanding prior to the Issue | 53,51,954 Equity Shares of Rs.10.00 each |
| Equity Shares outstanding after the Issue* | 73,31,954 Equity Shares of Rs.10.00 each |
| Objects of the Issue | Please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 66 of this Draft Prospectus. |

*Assuming Full Allotment

⁽¹⁾ The present Issue is being made by our Company in terms of Regulation 229 (1) of the SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post-Issue paid-up equity share capital of our Company are being offered to the public for subscription

⁽²⁾ This Issue is being made in terms of Section IX of the SEBI (ICDR) Regulations 2018, as amended from time to time. The Issue is being made through the Fixed Price method and hence, as per Regulation 253, sub regulation (2) of SEBI (ICDR) Regulations 2018, the allocation in the net issue to public category shall be made as follow:

- (a) Minimum 50% to the Retail individual investors; and
- (b) remaining to:
 - i. individual applicants other than retail individual investors; and
 - ii. other investors including corporate bodies or institutions; irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion is either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

Explanation: For the purpose of Regulation 253, sub Regulation (2), if the retail individual investor category is entitled to more than fifty percent of the issue size on proportionate basis, the retail individual investors shall be allocated that higher percentage.

For further details, kindly refer the chapter titled “*Terms of the Issue*” beginning on page 208 of this Draft Prospectus.

SUMMARY OF FINANCIAL INFORMATION

STATEMENTS OF ASSETS AND LIABILITIES AS RESTATED

(Amount Rs. In Lakhs)

| PARTICULARS | 12-09-2018 | AS AT 31ST MARCH | | |
|--|---------------|------------------|---------------|---------------|
| | | 2018 | 2017 | 2016 |
| A) EQUITY AND LIABILITIES | | | | |
| 1. Shareholders' Funds | | | | |
| (a) Share Capital (Partners capital account) | 540.67 | 516.81 | 316.20 | 203.27 |
| (b) Reserves & Surplus | - | - | - | - |
| | 540.67 | 516.81 | 316.20 | 203.27 |
| 2. Non-Current Liabilities | | | | |
| (a) Long Term Borrowings | 4.62 | 5.93 | 69.49 | 78.54 |
| (b) Deferred Tax Liabilities (Net) | - | - | - | - |
| (c) Long term provisions | - | - | - | - |
| | 4.62 | 5.93 | 69.49 | 78.54 |
| 3. Current Liabilities | | | | |
| (a) Short Term Borrowings | - | - | - | - |
| (b) Trade Payables | 90.32 | 80.20 | 47.31 | 154.56 |
| (c) Other Current Liabilities | 0.28 | 1.03 | 0.61 | 0.50 |
| (d) Short Term Provisions | 7.24 | 8.01 | 8.96 | 7.63 |
| (e) Deposits | 3.00 | 3.00 | - | - |
| | 100.83 | 92.25 | 56.89 | 162.69 |
| Total | 646.13 | 614.99 | 442.58 | 444.50 |
| B) ASSETS | | | | |
| 1. Non Current Assets | | | | |
| (a) Fixed Assets | | | | |
| i) Tangible Assets | 186.15 | 195.64 | 136.68 | 168.96 |
| ii) Intangible Assets | 0.39 | - | - | - |
| | 186.54 | 195.64 | 136.68 | 168.96 |
| (b) Non-Current Investment | 101.47 | 99.14 | 0.99 | 3.27 |
| (c) Long Term Loans and Advances | - | - | - | - |
| (d) Deferred Tax Assets (Net) | 5.46 | 4.93 | 0.41 | 0.47 |
| (e) Other Non-Current Assets | - | - | - | - |
| | 106.93 | 104.07 | 1.40 | 3.74 |
| 2. Current Assets | | | | |
| (a) Inventories | 18.05 | 72.89 | 44.29 | 59.53 |
| (b) Trade Receivables | 158.12 | 11.42 | 57.29 | 62.75 |
| (c) Cash and Bank Balances | 94.35 | 128.12 | 127.93 | 130.50 |
| (d) Short term loans & advances | 40.94 | 48.36 | 59.50 | 18.84 |
| (e) other current assets | 41.19 | 54.50 | 15.48 | 0.18 |
| | 352.65 | 315.28 | 304.50 | 271.80 |
| Total | 646.13 | 614.99 | 442.58 | 444.50 |

As per our report of even date attached

A. Biyani & Co.
Chartered Accountants
F.R.N. 140489W
Ashutosh Biyani
Proprietor
M. No. 165017
Place: Mumbai

Director

Chief Financial Officer

For and on behalf of the Board of Directors
SK International Export Limited

Director

Company Secretary & Compliance

Date :25-01-2019

Officer

RESTATED STATEMENT OF PROFIT AND LOSS**(Amount Rs. In Lakhs)**

| PARTICULARS | 12-09-2018 | AS AT 31ST MARCH | | |
|--|---------------|------------------|---------------|---------------|
| | | 2018 | 2017 | 2016 |
| 1 Revenue From Operation | 422.24 | 844.24 | 805.87 | 888.28 |
| 2 Other Income | 36.90 | 278.26 | 134.13 | 48.55 |
| 3 Total Revenue (1+2) | 459.14 | 1,122.49 | 940.00 | 936.83 |
| 4 Expenditure | | | | |
| (a) Purchase of Traded Goods | 177.28 | 524.60 | 413.25 | 543.53 |
| (c) Changes in Inventories of stock-in-trade | 54.84 | (28.60) | 15.25 | (14.53) |
| (d) Employee Benefit Expenses | 92.76 | 116.54 | 127.34 | 66.82 |
| (e) Finance Cost | 0.58 | 9.60 | 8.94 | 55.07 |
| (f) Depreciation and Amortisation Expenses | 11.03 | 20.20 | 17.75 | 21.17 |
| (g) Other Expenses | 91.57 | 247.35 | 309.09 | 250.63 |
| 5 Total Expenditure 4(a) to 4(g) | 428.06 | 889.69 | 891.62 | 922.69 |
| 6 Profit/(Loss) Before Tax (3-5) | 31.09 | 232.80 | 48.37 | 14.14 |
| 7 Tax Expense: | | | | |
| (a) Tax Expense for Current Year | - | - | - | - |
| (b) Short/(Excess) Provision of Earlier Year | - | - | - | - |
| (c) Deferred Tax | (0.54) | (4.52) | 0.06 | (0.47) |
| Net Current Tax Expenses | (0.54) | (4.52) | 0.06 | (0.47) |
| 8 Profit/(Loss) for the Year (6-7) | 31.62 | 237.32 | 48.31 | 14.61 |

As per our report of even date attached

A. Biyani & Co.

Chartered Accountants

For and on behalf of the Board of Directors**SK International Export Limited**

Director

Director

F.R.N. 140489W

Ashutosh Biyani

Proprietor

M. No. 165017

Place: Mumbai

Date :25-01-2019

Chief Financial Officer

Company Secretary & Compliance Officer

RESTATED CASH FLOW STATEMENT

(Amount Rs. In Lakhs)

| PARTICULARS | 12.09.2018 | FOR THE YEAR ENDED 31 st MARCH | | |
|--|------------|---|----------|----------|
| | | 2,018 | 2,017 | 2,016 |
| A) Cash Flow From Operating Activities : | | | | |
| Net Profit before tax | 31.09 | 232.80 | 48.37 | 14.14 |
| Adjustment for : | | | | |
| Depreciation | 11.03 | 20.20 | 17.75 | 21.17 |
| Interest Paid | 0.58 | 9.60 | 8.94 | 55.07 |
| Interest Income | (3.31) | (7.41) | (7.72) | (7.67) |
| Dividend | - | - | - | (2.04) |
| Short Term Capital Gain | - | (156.02) | (1.23) | (2.28) |
| Provision of Gratuity | | | | |
| Operating profit before working capital changes | 39.39 | 99.18 | 66.12 | 78.38 |
| Changes in Working Capital | | | | |
| (Increase)/Decrease in Inventories | 54.84 | (28.60) | 15.24 | (14.53) |
| (Increase)/Decrease in Trade Receivables | (146.70) | 45.87 | 5.45 | 76.80 |
| (Increase)/Decrease in Short Term Loans & Advances | 7.42 | 11.15 | (40.66) | (0.67) |
| (Increase)/Decrease in Other Current Assets | 13.31 | (39.02) | (15.30) | (0.18) |
| (Increase)/Decrease in Other Non Current Assets | - | - | - | - |
| Increase/(Decrease) in Trade Payables | 10.11 | 32.89 | (107.25) | 17.58 |
| Increase/(Decrease) in Other Current Liabilities | (0.75) | 0.42 | 0.12 | (0.20) |
| Increase/(Decrease) in Short Term Provisions | (0.77) | (0.95) | 1.34 | 7.12 |
| Increase/(Decrease) in Deposits | - | 3.00 | - | - |
| Cash generated from operations | (23.16) | 123.94 | (74.95) | 164.30 |
| Less:- Income Taxes paid | | | | |
| Cash Flow Before Extraordinary Item | (23.16) | 123.94 | (74.95) | 164.30 |
| Extraordinary Items | - | - | - | - |
| Net cash flow from operating activities | (23.16) | 123.94 | (74.95) | 164.30 |
| B) Cash Flow From Investing Activities : | | | | |
| Purchase of Fixed Assets | (1.90) | 76.87 | 15.76 | (16.44) |
| Investment made during the year | (2.33) | (98.15) | 2.28 | (2.28) |
| Interest Income | 3.31 | 7.41 | 7.72 | 7.67 |
| Dividend Income | - | - | - | 2.04 |
| Net cash flow from investing activities | (0.92) | (13.87) | 25.76 | (9.01) |
| C) Cash Flow From Financing Activities : | | | | |
| Capital introduction/ Withdrawal by Partners | (7.77) | (36.70) | 64.61 | (188.00) |
| Increase/(Decrease) in Long Term Borrowings | (1.31) | (63.56) | (9.05) | 38.56 |
| Interest Paid | (0.58) | (9.60) | (8.94) | (55.07) |
| Net cash flow from financing activities | (9.66) | (109.86) | 46.62 | (204.50) |
| Net Increase/(Decrease) In Cash & Cash Equivalents | (33.74) | 0.21 | (2.57) | (49.21) |
| Cash equivalents at the beginning of the year | 128.12 | 127.93 | 130.50 | 179.71 |
| Cash equivalents at the end of the year | 94.35 | 128.12 | 127.93 | 130.50 |

Notes :-

| Particulars | | As on 12th September, 2018 | As on 31st March, 2018 | As on 31st March, 2017 | As on 31st March, 2016 |
|-------------|--|----------------------------------|---------------------------|---------------------------|---------------------------|
| 1 | Component of Cash and Cash equivalents | | | | |
| | Cash on hand | 1.16 | 0.52 | 1.19 | 3.08 |
| | Balance With banks | 93.19 | 127.60 | 34.42 | 41.86 |
| | Fixed Deposit | - | - | 92.33 | 85.57 |
| | | 94.35 | 128.12 | 127.93 | 130.50 |
| 2 | Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated. | | | | |

As per our report of even date attached

A. Biyani & Co.

Chartered Accountants

F.R.N. 140489W

Ashutosh Biyani

Proprietor

M. No. 165017

Place: Mumbai

Date :25-01-2019

For and on behalf of the Board of Directors**SK International Export Limited**

Director

Director

Chief Financial Officer

Company Secretary & Compliance Officer

GENERAL INFORMATION

Our Company was originally formed as a partnership firm in the name and style of M/s S.K. International (Export) Company, having the principal place of business at 41, 2nd Sutar Gally, Bombay – 400 004 on the terms and conditions contained in the Partnership Deed executed on November 1st, 1991. The partnership firm was duly registered on February 15, 1992 under the provisions of Indian Partnership Act, 1932 with Registrar of Firms at Bombay (Maharashtra) vide Registration No. BA :-52446.. M/s. S.K. International Export Company was thereafter converted from a partnership firm to a public limited company under the Part I of Chapter XXI of the Companies Act, 2013 under the name of SK International Export Limited and received a certificate of incorporation from the Registrar of Companies, Mumbai on September 13, 2018 bearing registration no. 314141. The corporate identity number of our Company is U18109MH2018PLC314141. All the partners of M/s. S.K. International Export Company were initial subscribers to Memorandum of Association of our Company.

For further details, please refer “*Our History and Certain Corporate Matters*” and “*Our Business*” on page no. 123 and 96 of this Draft Prospectus/

| Brief Company and Issue Information | |
|---|---|
| Registered Office | SK International Export Limited 78, Ground floor, A-2, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai-400013, Maharashtra, India Tel. No: +91 22 6660 6450/ +91 22 6660 6451 Website: www.skinternational.in Email: info@skinternational.in |
| Corporate Office | 79, Ground floor, A-2 Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai- 400013, Maharashtra, India |
| Factory and Warehouse | Building No. 68, HDIL Industrial park, Chandansar road, Virar East - 401303, Vasai, Palghar Maharashtra, India Gala No. 205/206, Second Floor, Meghdoot Industrial Estate, HDIL Industrial Park, Chandansar, Virar East – 401305, Vasi, Palghar, Maharashtra, India |
| Showroom | 178, 1 st floor A-2, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai-400013, Maharashtra, India |
| Date of Incorporation | September 13, 2018 |
| Registration Number | 314141 |
| Corporate Identification Number | U18109MH2018PLC314141 |
| Company Category | Company Limited by Shares |
| Company Sub Category | Non-govt Company |
| Address of Registrar of Companies | Registrar of Companies, Mumbai Everest, 100 Marine Drive, Mumbai – 400002, Maharashtra, India |
| Designated Stock Exchange | BSE Limited (SME Platform of BSE) P.J. Towers, Dalal Street, Mumbai – 400 001 Website: www.bseindia.com |
| Company Secretary and Compliance Officer | Ms. Bijal Sunil Shah SK International Export Limited Unit no-78, Ground, A2, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel Mumbai – 400013, Maharashtra India Tel. No: +91 022 6660 6450/ 022 6660 6451 Email: compliance@skinternational.in |
| Chief Financial Officer | Ms. Sneha Sadashiv Parab SK International Export Limited Unit no-78, Ground, A2, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai – 400013, Maharashtra India Tel. No: +91 022 6660 6450/ 022 6660 6451 Email: skaccounts@skinternational.in |
| Issue Programme | Issue opens on [●] Issue Closes on [●] |

BOARD OF DIRECTORS OF OUR COMPANY

Our Company's Board comprises of the following Directors:

| Name | Designation | Address | DIN |
|--------------------------------|--|---|----------|
| Mr. Hitesh Shrawankumar Sadh | Managing Director | 1001- B, Utpal Park Bldg Ds Raje Marg, Mahim West Mumbai 400016, Maharashtra India | 03055331 |
| Mrs. Purni Hitesh Sadh | Executive Director | 1001- B, Utpal Park Bldg Ds Raje Marg, Mahim West Mumbai 400016, Maharashtra India | 08228285 |
| Mr. Akshar Jagdish Patel | Non-Executive and Independent Director | 601, C-7, Darshan Chs, Happy Home Society, Nr. Rustomjee, J.S Road, Dahisar West, Mumbai 400068 Maharashtra India | 02908224 |
| Mr. Bhavin Prabhashankar Mehta | Additional Director (Non-Executive and Independent Director) | C/20, Lijjat Godavri, Opp Dominos Pizza, M G Road, Kandivali (West) Mumbai 400067 Maharashtra India | 08281963 |
| Mr. Jay Narayan Naik | Additional Director (Non-Executive and Independent Director) | B-506, Patel Residency, Khoj-Khuntavli, Ambarnath west, Thane- 421 501 Maharashtra, India | 05174213 |

For further details of the Board of Directors, please refer to the section titled “*Our Management*” beginning on page 127 of this Draft Prospectus.

Note: Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue and/or the Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc. For all Issue related queries and for redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

All grievances in relation to the application through ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Applicant, ASBA Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder, ASBA Account number in which the amount equivalent to the Bid Amount was blocked and UPI ID used by the Retail Individual Investors. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

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

| LEAD MANAGER | REGISTRAR TO THE ISSUE |
|--|---|
| Finshore Management Services Limited 2 nd Floor, Block – A, Room No. 207, 227, A.J.C. Bose Road, Kolkata – 700 020, West Bengal, India Tel.: +91-33- 2289- 5101 Website: www.finshoregroup.com Email: ramakrishna@finshoregroup.com Investor Grievance Email: info@finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar SEBI Registration No: INM000012185 | Karvy Fintech Private Limited Karvy Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, Hyderabad Contact Person: Mr. M Murali Krishna Tel.: +91 40 6716 2222 Fax: +91 40 2343 1551 Email: einward.ris@karvy.com Investor Grievance Email: skinternational.ipo@karvy.com Website: https://karisma.karvy.com SEBI Registration No.: INR000000221 |
| LEGAL ADVISOR TO THE ISSUE | STATUTORY AND PEER REVIEW AUDITORS* |
| Alliance Law | A Biyani & Co., Chartered Accountants |

| | |
|---|--|
| 801, 8 th Floor, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai-400 021. Tel: 91-22-2204 0822/23/24 Email: cm@alliancelaw.in | Proprietor Unit No. 411, Gundecha Industrial Complex, Akruli Road, Next to Big Bazar, Kandivali-East, Mumbai-400101, Maharashtra Contact Person: Mr. Ashutosh Biyani FRN No. 140489W Membership No. 165017 Peer Review Certificate No. 140489W |
| SPONSOR BANK | BANKER TO THE COMPANY |
| [•] | RBL Bank Limited 1 st Lane, Shahpuri, Kolhapur-416001 Tel: 18001238040 Email: insignia@rblbank.com Website: www.rblbank.com Contact Person: Mr. Mayank Gupta |
| BANKER TO THE ISSUE | ADVISORS TO THE COMPANY |
| [•] | KNK & Co. LLP and S.V Kulkarni and Associate Company Secretaries Office No. 22, 4 th Floor, Shreenath Bhuvan, Old Post office Lane, Kalbadevi Road, Mumbai-400 002, Maharashtra, India ICSI Registration No.L2017MH002800/S2018MH640200 Email: office@knkllp.in/acssagarvk@gmail.com Website: www.knkllp.in Contact Person: Santosh Kini/Sagar Kulkarni |

* A *Biyani & Co.*, are appointed as Peer Review auditors of our Company in compliance with Regulation 229(3)(b) of Chapter IX of SEBI (ICDR) Regulations 2018 and hold a valid peer review certificate No. 140489W dated December 18, 2018 issued by the "Peer Review Board" of the ICAI.

STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Finshore Management Services Limited is the sole Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

DESIGNATED INTERMEDIARIES

SELF CERTIFIED SYNDICATE BANKS ("SCSBs")

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link.

REGISTERED BROKERS

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of the BSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?, as updated from time to time.

Broker Centers/ Designated CDP Locations/ Designated RTA Locations

Investors can submit Application Forms in the issue using the sub broker's network of the stock exchange i.e. through the registered brokers at the Broker Centers. The list of registered brokers, including details such as postal address,

telephone number and email address is provided on the website of the National Stock Exchange of India as updated from time to time, in relation to ASBA application, submitted to the registered broker centers. The list of branches of the SCSB, the Broker Center named by respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of SEBI (www.sebi.gov.in) and updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

In terms of SEBI circular no. CIR/CFD/ POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms through CDPs who are depository participants registered with SEBI and have furnished their details to Stock Exchanges for acting in such capacity.

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of BSE, i.e., www.bseindia.com as updated from time to time.

INVESTORS BANKS OR ISSUER BANKS FOR UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yesandintmId=40>. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above mentioned SEBI link.

BROKERS TO THE ISSUE

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

CREDIT RATING

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

TRUSTEES

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

DEBENTURE TRUSTEES

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

IPO GRADING

Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

FILING OF DRAFT PROSPECTUS/PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES

The Draft Prospectus is being filed with BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001.

A copy of the Draft Prospectus shall not be filed with the SEBI, nor will SEBI issue any observation on the Draft Prospectus in term of Regulation 246 of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, Corporation Finance Department, SEBI Bhavan, Plot No. C4-A, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai-400 051, India for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Mumbai situated at 100, Everest, Marine Drive, Mumbai- 400002.

MONITORING AGENCY

As per regulation 262(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs.10,000 Lakhs. Since the Issue size is only of Rs. 3.96 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Prospectus.

APPRAISING ENTITY

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

TRUSTEES

As this is an issue of Equity Shares, the appointment of Trustees is not required.

EXPERT OPINION

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated February 15, 2019 from the Statutory Auditors namely, A Biyani & Co. Chartered Accountant to include their name as an "expert" as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations and as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Financial Statements, each dated January 25, 2019 and the statement of special tax benefits dated January 25, 2019, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

WITHDRAWAL OF THE ISSUE

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

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

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

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

UNDERWRITER

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated [●] and pursuant to the terms of the underwriting agreement, obligations of the underwriters are Subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite following number of specified securities being offered through this Issue.

| Name, Address, Telephone, Facsimile, and Email of the Underwriters | Indicated number of Equity Shares to be Underwritten | Amount Underwritten (in Lakh) | % of the total Issue size Underwritten |
|--|--|-------------------------------|--|
| Finshore Management Services Limited Anandlok, Block-A, 2nd Floor, Room No. 207, 227 A.J.C. Bose Road, Kolkata-700020, India Tel.: +91-33-22895101 Website: info@finshoregroup.com Email: ramakrishna@finshoregroup.com Investor Grievance Email: info@finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar SEBI Registration No: INM000012185 | [●] | [●] | [●] |
| Market Maker [●] | [●] | [●] | [●] |
| TOTAL | [●] | [●] | [●] |

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

Includes 1,02,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to comply with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

CHANGES IN AUDITORS DURING LAST THREE FINANCIAL YEARS

There have been changes in the Auditors in last three financial years preceding the date of this Draft Prospectus and the period for three years have not been completed.

| Sr. No. | Date | From | To | Reason for change |
|---------|------------------|--|--|-------------------|
| 1 | October 11, 2018 | M/s. PARESH – BHUPENDRA & ASSOCIATES (Chartered Accountants) | A Biyani & Co., Chartered Accountants Proprietor | Resignation |

*Since Company was a partnership firm earlier and limited financial history of Company is presented.

DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker to fulfil the obligations of Market Making for this Issue:

| | |
|--------------------------------------|-----|
| Name | [●] |
| Address | [●] |
| Telephone | [●] |
| Facsimile | [●] |
| E-mail | [●] |
| Contact Person | [●] |
| Market Maker Registration No. | [●] |

[●] will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1.00 Lakhs. However, the investors with holdings of value less than Rs. 1 Lakhs shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the 5 % of the Equity Shares Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 5 % Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, [●] reacting as the sole Market Maker.
7. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker(s) shall have the right to terminate said arrangement by giving one-month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

10. In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Corporate Office from 11.00 a.m. to 5.00 p.m. on working days.
11. BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
12. BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
13. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
14. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

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

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI / BSE SME from time to time.

CAPITAL STRUCTURE

Our Share capital structure before the Issue and after giving effect to the Issue, as at the date of this Draft Prospectus, is set forth below:

Amount (Rs. in Lakh, except share data)

| Sl. No. | Particulars | Aggregate Nominal Value (Rs.) | Aggregate Value at Issue Price (Rs.) |
|---------|---|-------------------------------|--------------------------------------|
| A. | Authorized Share Capital | | |
| | 77,00,000 Equity Shares of Rs.10.00 each | 770.00 | - |
| B. | Issued, Subscribed & Paid-up Share Capital prior to the Issue | | |
| | 53,51,954 Equity Shares of Rs.10.00 each | 535.19 | - |
| C. | Present Issue in terms of the Draft Prospectus | | |
| | Fresh Issue of 19,80,000 Equity Shares of Rs.10.00 each for cash at a price of Rs.20.00 per share | 198.00 | 396.00 |
| | Which Comprises | | |
| D. | Reservation for Market Maker portion | | |
| | 1,02,000 Equity Shares of Rs.10.00 each at a premium of Rs.20.00 per Equity Share | 10.20 | 20.40 |
| E. | Net Issue to the Public | | |
| | 18,78,000 Equity Shares of Rs.10.00 each at a premium of Rs.20.00 per Equity Share | 187.80 | 375.60 |
| | of which | | |
| | 9,42,000 Equity Shares of Rs.10.00 each at a premium of Rs.20.00 per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to Rs. 2.00 lakhs | 94.20 | 188.40 |
| | 9,36,000 Equity Shares of Rs. 10.00 each at a premium of Rs.20.00 per Equity Share will be available for allocation for allotment to Other Investors of above Rs. 2.00 lakhs | 93.60 | 187.20 |
| F. | Paid up Equity capital after the Issue | | |
| | 73,31,954 Equity Shares of Rs. 10.00 each | 733.19 | |
| G. | Securities Premium Account | | |
| | Before the Issue | | Nil |
| | After the Issue | | 198.00 |

* For detailed information on the Net Issue and its allocation various categories, please refer chapter titled **“The Issue”** on page no. 42 of this Draft Prospectus.

* The present Issue of 19,80,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated January 04, 2019 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extra-ordinary General Meeting (EGM) of the members held on January 16, 2019.

CLASS OF SHARES

Our company has only one class of shares i.e. Equity shares of Rs. 10/- each only and all Equity Shares are ranked pari passu in all respect. All Equity Shares issued are fully paid-up as on date of the Draft Prospectus.

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

1. Details of changes in Authorized Share Capital of Our Company since incorporation

| Date of Shareholders approval | EGM/AGM/ Postal Ballot | Authorised Share Capital (Rs.) | Details of change |
|-------------------------------|------------------------|--------------------------------|--|
| On Incorporation | -- | 6,00,00,000 | Authorised share capital of the Company was Rs. 600.00 Lakhs divided into 60,00,000 Equity Shares of Rs. 10.00 each. |

| Date of Shareholders approval | EGM/AGM/ Postal Ballot | Authorised Share Capital (Rs.) | Details of change |
|-------------------------------|------------------------|--------------------------------|--|
| January 16, 2019 | EGM | 7,70,00,000 | Increase in authorised share capital from Rs. 6,00,00,000 divided into 60,00,000 equity shares of Rs.10.00 each to ₹ 7,70,00,000 divided into 77,00,000 equity share of Rs.10.00 each. |

Notes to Capital Structure

2. Share capital history of our Company a. Equity share capital history of our Company

The following is the history of the equity share capital of our Company:

| Date of Allotment | Number of Equity Shares | Face Value per Equity Share (Rs.) | Issue Price per Equity Share (Rs.) | Nature of Consideration (Cash/ Other than Cash) | Nature of allotment | Cumulative Number of Equity Shares | Cumulative Share Capital (Rs.) | Cumulative Share Premium (Rs.) |
|--------------------|-------------------------|-----------------------------------|------------------------------------|---|--|------------------------------------|--------------------------------|--------------------------------|
| Upon Incorporation | 53,51,954 | 10.00 | 10.00 | Cash | Subscription to the MoA ⁽¹⁾ | 53,51,954 | 53,51,954 | --- |

Notes:

- ✓ Pursuant to conversion of partnership firm M/s. S K International (Export) Co. into our Company under the Part I Chapter XXI of the Companies Act, 2013, the initial subscribers to the MoA subscribed 53,51,954 Equity Shares of face value of Rs.10 each fully paid up, at par against the outstanding credit balance of partners capital account in the manner as set out under point no.3;
- ✓ Upon subsequent change including addition and retirement of partners by way of partnership deed dated May 11, 2018, Mr. Rajesh Pravinchandra Dhruv added as new partner.

3. Allotment on subscription to the Memorandum of Association

| Sl. No. | Name of the allottees | Number of Equity Shares allotted |
|--------------|-----------------------------------|----------------------------------|
| 1 | Mr. Shrawankumar Sadh | 19,47,077 |
| 2 | Mrs. Swarnalata Shrawankumar Sadh | 7,27,125 |
| 3 | Mr. Hitesh Shrawankumar Sadh | 23,76,832 |
| 4 | Mr. Sohit Shrawankumar Sadh | 13,730 |
| 5 | Mrs. Purti Hitesh Sadh | 13,730 |
| 6 | Mrs. Shilpi Amit Sadh | 13,730 |
| 7 | Mrs. Vijay Rakesh Sadh | 9,730 |
| 8 | Mr. Rajesh Pravinchandra Dhruv | 2,50,000 |
| Total | | 53,51,954 |

4. Our Company has not issued Equity Shares for consideration other than cash as on the date of this Draft Prospectus.
5. Except as mentioned in ptno.2 above our Company has not issued any Equity Shares.
6. Our Company does not have any preference share capital as on the date of this Draft Prospectus.
7. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 and Sections 230 to 234 of the Companies Act, 2013.

8. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
9. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014
10. Our Company has not made any issue of specified securities at a price lower than the issue price since incorporation.
11. Build-up of our Promoters Shareholding, Promoter's Contribution and Lock-in
 - a. Build-up of our Promoters shareholding in our Company

The current promoters of our Company are Mr. Shrawankumar Sadh and Mr. Hitesh Shrawankumar Sadh.

As on the date of this Draft Prospectus, our Promoters collectively hold 43,23,909 Equity Shares, which constitutes 80.79 % of the issued, subscribed and paid-up Equity Share capital of our Company.

None of the Equity Shares held by our Promoters is subject to any pledge.

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

(1) Mr. Shrawankumar Sadh

| Date of Allotment | Number of Equity Shares | Cumulative No. of Equity Share | Face Value (₹) | Issue per Equity Share (₹) | Nature of Consideration | Nature of transaction | Sources of funds | % of pre issue equity share capital | % of post issue equity share capital |
|--------------------|-------------------------|--------------------------------|----------------|----------------------------|-------------------------|--|--|-------------------------------------|--------------------------------------|
| Upon Incorporation | 19,47,077 | 19,47,077 | 10 | 10 | Cash | Allotment at the time of incorporation due to conversion of partnership firm S.K International Export Company into SK International Export Limited | Own fund (Transfer from partner's capital account) | 36.38 | 26.56 |
| Total | 19,47,077 | | | | | | | 36.38 | 26.56 |

(2) Mr. Hitesh Shrawankumar Sadh

| Date of Allotment | Number of Equity Shares | Cumulative No. of Equity Share | Face Value (₹) | Issue per Equity Share (₹) | Nature of Consideration | Nature of transaction | Sources of funds | % of pre issue equity share capital | % of post issue equity share capital |
|--------------------|-------------------------|--------------------------------|----------------|----------------------------|-------------------------|--|--|-------------------------------------|--------------------------------------|
| Upon Incorporation | 23,76,832 | 23,76,832 | 10 | 10 | Cash | Allotment at the time of incorporation due to conversion of partnership firm S.K International Export Company into SK International Export Limited | Own fund (Transfer from partner's capital account) | 44.41 | 32.42 |
| Total | 23,76,832 | | | | | | | 44.41 | 32.42 |

All the Equity Shares held by our Promoters were fully paid up as on the respective dates of acquisition of such Equity Shares. Our Promoter have confirmed to our Company and the Lead Manager that the Equity Shares held by our Promoter have been financed from their owned funds, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed of by them for such purpose.

As on the date of this Draft Prospectus, our Promoter does not hold any preference shares in our Company. As on date, Equity Shares of our Promoters are not pledge.

b. Details of Promoters' Contribution Locked-in for Three (3) Years

Pursuant to Regulations 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters shall be considered as the minimum Promoter's contribution ("**Promoters Contribution**") and shall be locked-in for a period of three (3) years from the date of Allotment of equity shares issued pursuant to this Issue. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Prospectus, our Promoters collectively hold 43,23,909, Equity Shares constituting 58.97 % of the Post-Issue issued, subscribed and paid-up Equity Share capital of our Company, which are eligible for the Promoters' Contribution.

All the Equity Shares of our Company held by our Promoters and the Promoter Group shall be held in dematerialized form prior to filing of the Prospectus with the RoC.

Our Promoters have consented to the inclusion of such number of the Equity Shares held by them, in aggregate, as may constitute 20% of the post-Issue capital of our Company as Promoters' contribution and the Equity Shares proposed to form part of Promoters' contribution subject to lock-in shall not be disposed of/ sold/ transferred by our Promoters during the period starting from the date of filing this Draft Prospectus with the Stock Exchange until the date of commencement of the lock-in period.

Accordingly, Equity Shares aggregating to 20% of the post-Issue capital of our Company, held by our Promoters shall be locked-in for a period of three (3) years from the date of Allotment in the Issue as follows:

| Details of Promoter's Contribution | | | | | | | |
|---|-------------------------|--|----------------------------------|----------------|------------------|-------------------------------|-------------------|
| Date on which the Equity Shares were Allotted | Nature of Acquisition | Nature of Consideration (Cash/Other than Cash) | Number of Equity Shares Allotted | Face Value (₹) | Issued Price (₹) | % of post-Issue share capital | Period of Lock-in |
| Mr. Shrawankumar Sadh | | | | | | | |
| Upon Incorporation | Subscription to the MOA | Cash (Upon conversion of partnership firm SK International Export Co into SK International Export Ltd) | 14,67,000 | 10 | 10 | 20.00 | 3 Years |
| Grand Total | | | 14,67,000 | | | 20.00 | |

The Minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoters' under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution under Regulation 237 of the SEBI (ICDR) Regulations. In this respect, we confirm the following:

- I. The Equity Shares issued for minimum Promoters' contribution have not been acquired in the three (3) years immediately preceding the date of this Draft Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets, nor have resulted from a bonus issue out of revaluation reserves or unrealized profits of our Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution; the minimum Promoters' contribution does not include any Equity Shares acquired during the one (1) year immediately preceding the date of this Draft Prospectus at a price lower than the price at which the Equity Shares are being Issued to the public in the Issue;
- II. No Equity Shares have been issued to our Promoters in the last one (1) year preceding the date of this Draft Prospectus at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management.

Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible.
- III. The Equity Shares held by our Promoters which are issued for minimum Promoters' contribution are not subject to any pledge or any other form of encumbrance whatsoever; and all the Equity Shares of our Company held by the Promoters and the Promoter Group shall be held in dematerialized form prior to the filing of the Prospectus.
- IV. Our company was incorporated on September 13, 2018 pursuant to conversion of partnership firm SK International Export Co into SK International Export Ltd. The 14,67,000 Equity Shares offered as Promoter Contribution for lock-in for 3 years by Mr. Shrawankumar P. Sadh were allotted to him against the capital held by him for more than one year on continuous basis and hence the above offered Equity Share are eligible for Minimum Promoter Contribution.

c. Details of Equity Shares Locked-in for one (1) year

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018 other than the Equity Shares Issued by the Promoters for the Minimum Promoter's Contribution, which will be locked-in as minimum Promoters' contribution for three (3) years, all the pre-Issue Equity Shares shall be subject to lock-in for a period of one (1) year from the date of Allotment.

| Sr. No. | Name of the Shareholder | No. of Shares held Pre-IPO | No. of Shares held for lock-in | Post-IPO Share lock-in | Lock in Period |
|--------------|-----------------------------------|----------------------------|--------------------------------|------------------------|----------------|
| 1 | Mr. Shrawankumar P.Sadh | 19,47,077 | 4,80,077* | 6.55% | 1 Year |
| 2 | Mrs. Swarnalata Shrawankumar Sadh | 7,27,125 | 7,27,125 | 9.92% | 1 Year |
| 3 | Mr. Hitesh Shrawankumar Sadh | 23,76,832 | 23,76,832 | 32.42% | 1 Year |
| 4 | Mr. Sohit Shrawankumar Sadh | 13,730 | 13,730 | 0.19% | 1 Year |
| 5 | Mrs. Purni Hitesh Sadh | 13,730 | 13,730 | 0.19% | 1 Year |
| 6 | Mrs. Shilpi Amit Sadh | 13,730 | 13,730 | 0.19% | 1 Year |
| 7 | Mrs. Vijay Rakesh Sadh | 9,730 | 9,730 | 0.13% | 1 Year |
| 8 | Mr. Rajesh Pravinchandra Dhruv | 2,50,000 | 2,50,000 | 3.41% | 1 Year |
| Total | | 53,51,954 | 38,84,954 | 53.00% | -- |

*Balance Shares 14,67,000 are locked in for 3 years

In terms of Regulation 241 SEBI (ICDR) Regulations, 2018 the Equity Shares which are subject to lock-in shall carry inscription 'non-transferable' along with the duration of specified non-transferrable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

d. Other requirements in respect of lock-in

➤ **Inscription or Recording of non-transferability:**

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

➤ **Pledge of Locked-in Equity Shares**

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoter, as specified above, can be pledged with any scheduled commercial banks or public financial institutions or systemically important non-banking finance company or housing finance company as collateral security for loans granted by such scheduled commercial banks or public financial institutions or systemically important non-banking finance company or housing finance company, subject to fulfilment of following conditions:

- 1) In respect of Equity Shares which are locked in for a period of one year, the pledge of the Equity Shares is one of the terms of the sanction of the loan;
- 2) In respect of Equity Shares which are locked in for a period of three years, the loan has been granted by such scheduled commercial bank or public financial institution or systemically important non-banking finance company or housing finance company to our Company or our Subsidiary (ies) for the purpose of financing one or more of the objects of the Issue and the pledge of the Equity Shares is one of the terms of the sanction of the loan.

➤ **Transfer of Locked-in Equity Shares**

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- a) The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period

with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

- b) The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- e. We further confirm that our Promoters Contribution of 20.00 % of the post-Issue Equity Share capital does not include any contribution from Alternative Investment Fund.
- f. Shareholding of our Promoters & Promoter Group

The table below presents the shareholding of our Promoters and Promoter Group, who hold Equity Shares as on the date of filing of this Draft Prospectus:

| Particulars | Pre-Issue | | Post-Issue | |
|-----------------------------------|------------------|------------------------|------------------|------------------------|
| | Number of Shares | Percentage (%) holding | Number of Shares | Percentage (%) holding |
| Promoters (A) | | | | |
| Mr. Shrawankumar Sadh | 19,47,077 | 36.38 | 19,47,077 | 26.56 |
| Mr. Hitesh Shrawankumar Sadh | 23,76,832 | 44.41 | 23,76,832 | 32.42 |
| Total (A) | 43,23,909 | 80.79 | 43,23,909 | 58.98 |
| Promoter Group (B) | | | | |
| Mrs. Purni Hitesh Sadh | 13,730 | 0.26 | 13,730 | 0.19 |
| Mrs. Swarnalata Shrawankumar Sadh | 7,27,125 | 13.59 | 7,27,125 | 9.92 |
| Mr. Sohni Shrawankumar Sadh | 13,730 | 0.26 | 13,730 | 0.19 |
| Mrs. Shilpi Amit Sadh | 13,730 | 0.26 | 13,730 | 0.19 |
| Mrs. Vijay Rakesh Sadh | 9,730 | 0.18 | 9,730 | 0.13 |
| Total (B) | 7,78,045 | 14.54 | 7,78,045 | 10.61 |
| Total (A+B) | 51,01,954 | 95.33 | 51,01,954 | 69.59 |

As on the date of filing of this Draft Prospectus, our Promoters and members of the Promoters Group do not hold any preference shares in our Company.

12. Acquisition and sale/transfer of Equity Shares by our Promoters in last one (1) year

There has been no acquisition, sale or transfer of Equity Shares by our Promoters in the last one (1) year preceding the date of filing of this Draft Prospectus.

13. Shareholding Pattern of our Company:

The table below presents the current shareholding pattern of our Company as on the date of this Draft Prospectus.

Our Shareholding Pattern:-

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities* | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form \$ |
|----------|----------------------------|----------------------|---|--|--|------------------------|--|---|----------|------------------|-------------------------|--|---|----------------------------|---------------------------------|--|---------------------------------|--|
| | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class Equity Shares of ₹10/- each^ | Class | Total | | | | | | | | |
| I | II | III | IV | V | VI | VII = IV+V+VI | VIII | IX | | | | X | XI=VIII+IX | XII | XIII | XIV | | |
| (A) | Promoters & Promoter | 7 | 51,01,954 | - | - | 51,01,954 | 95.33 | 51,01,954 | - | 51,01,954 | 95.33 | - | 95.33 | - | - | [●] | | |
| (B) | Public | 1 | 2,50,000 | - | - | 2,50,000 | 4.67 | 2,50,000 | - | 2,50,000 | 4.67 | - | 4.67 | - | - | [●] | | |
| (C) | Non Promoter-Non Public | | | | | | | | | | | | | | | [●] | | |
| (C1) | Shares underlying | - | - | - | - | - | - | - | - | - | - | - | - | - | - | [●] | | |
| (C2) | Shares held by Emp. Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | [●] | | |
| | Total | 8 | 53,51,954 | - | - | 53,51,954 | 100.00 | 53,51,954 | - | 53,51,954 | 100.00 | - | 100.00 | - | - | [●] | | |

*As on date of this Draft Prospectus 1 Equity share holds 1 vote.

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

\$ the dematerialization is in process.

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

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Listing Regulation, one day prior to the listing of the Equity shares.

14. Except as set out below, none of the directors of our Company are holding any Equity Shares in our Company.

| Particulars | Number of Shares | Pre-Issue Percentage holding (%) | Post-Issue Percentage holding (%) |
|------------------------------|------------------|----------------------------------|-----------------------------------|
| Mr. Hitesh Shrawankumar Sadh | 23,76,832 | 44.41 | 32.42 |
| Mrs. Purti Hitesh Sadh | 13,730 | 0.26 | 0.19 |
| Total | 23,90,562 | 44.67 | 32.61 |

15. None of the Equity Shares of our Company are subject to any pledge as on the date of this Draft Prospectus.
16. None of the shareholding of the Promoters & Promoter Group is subject to lock-in as on date of this Draft Prospectus.
17. None of the persons belonging to the category Public are holding more than 1% of the total number of shares as on the date of this Draft Prospectus other than as stated below-

| Sl. No. | Name of the Shareholder | Number of Equity Shares | % of Shareholding |
|---------|--------------------------------|-------------------------|-------------------|
| 1. | Mr. Rajesh Pravinchandra Dhruv | 2,50,000 | 4.67 |

18. None of the Key Managerial Personnel holds any Equity Shares in our Company as on the date of this Draft Prospectus:

19. Details of Major Shareholders:

List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Draft Prospectus:

| Sl. No. | Name of the Shareholder | Number of Equity Shares | % of Shareholding |
|---------|-----------------------------------|-------------------------|-------------------|
| 1. | Mr. Shrawankumar P.Sadh | 19,47,077 | 36.38 |
| 2. | Mrs. Swarnalata Shrawankumar Sadh | 7,27,125 | 13.59 |
| 3. | Mr. Hitesh Shrawankumar Sadh | 23,76,832 | 44.41 |
| 4. | Mr. Rajesh Pravinchandra Dhruv | 2,50,000 | 4.67 |
| | Total | 53,01,034 | 99.05 |

20. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on a date ten days prior to the date of the Draft Prospectus:

| Sl. No. | Name of the Shareholder | Number of Equity Shares | % of Shareholding |
|---------|-----------------------------------|-------------------------|-------------------|
| 1. | Mr. Shrawankumar Sadh | 19,47,077 | 36.38 |
| 2. | Mrs. Swarnalata Shrawankumar Sadh | 7,27,125 | 13.59 |
| 3. | Mr. Hitesh Shrawankumar Sadh | 23,76,832 | 44.41 |
| 4. | Mr. Rajesh Pravinchandra Dhruv | 2,50,000 | 4.67 |
| | Total | 53,01,034 | 99.05 |

21. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on a date one year prior to the date of the Draft Prospectus:

Our Company has recently been incorporated in the year 2018 pursuant to conversion of partnership firm into a company. Hence, it has not completed one (1) year of incorporation

22. The top ten (10) shareholders of our Company as of two (2) years prior to the filing of the Draft Prospectus with the Stock Exchange are as follows:

Our Company has recently been incorporated in the year 2018 pursuant to conversion of partnership firm into a company. Hence, it has not completed two (2) years of incorporation.

23. Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Prospectus.
24. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

| Sr. No. | Name of the Promoters | No. of Equity Shares held | Average Cost of Acquisition per equity share (in Rs.) |
|----------------|------------------------------|----------------------------------|--|
| 1 | Mr. Shrawankumar P.Sadh | 19,47,077 | 10 |
| 2 | Mr. Hitesh Shrawankumar Sadh | 23,76,832 | 10 |

25. None of our Promoters, Promoter Group, our Directors and their relatives have entered into any financing arrangements or financed the purchase of the Equity shares of our Company by any other person during the period of six (6) months immediately preceding the date of filing of the Draft Prospectus.
26. We hereby confirm that there will be no further issue of capital whether by the way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity shares offered have been listed or application money unblocked on account of failure of issue.
27. Our Company, its Directors, Promoters or the Lead Manager have not entered into any buy-back or standby arrangements for the purchase of the Equity Shares of our Company.
28. None of the Promoter Group, Directors of the Promoter (s), the Directors and their relatives have purchased or sold any Equity Shares during the period of six (6) months immediately preceding the date of filing of this Draft Prospectus with the Stock Exchange.
29. Our Company undertakes that there shall be only one (1) denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.
30. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this Draft Prospectus.
31. The Equity Shares are fully paid up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Prospectus.
32. Our Company has not issued Equity Shares out of Revaluation Reserves.
33. Our Company shall comply with such disclosures and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
34. The Equity Shares issued pursuant to this Issue shall be fully paid-up.
35. Our Company has not made any public issue of any kind or class of securities of our Company within the immediately preceding two (2) years prior to filing this Draft Prospectus.
36. As on date of this Draft Prospectus, our Company has 8 shareholders.
37. Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds of the Issue.

38. Our Company, Directors, Promoters or members of our Promoter Group shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Draft Prospectus.
39. Our Company does not have any intention or proposal to alter our capital structure within a period of 6 months from the date of opening of the Issue by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise. 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 after obtaining relevant approvals.
40. Our Company has not revalued its assets during the last five (5) financial years.
41. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to three (3) years lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
42. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange i.e. BSE Limited (SME Platform). Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
43. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of SEBI (ICDR) Regulations, 2018.
44. There are no Equity Shares against which depository receipts have been issued.
45. Other than the Equity Shares, there is no other class of securities issued by our Company.
46. This issue is being made through the Fixed Price method.
47. 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. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations. As per Regulation 253 of the SEBI (ICDR) Regulations, 2018, since ours is a fixed price Issue 'the allocation' in the Net Issue to the public category shall be made as follows:
 - a. Minimum Fifty percent (50%) to retail individual investors; and
 - b. Remaining to other than retail individual investors.

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

If the retail individual investor category is entitled to more than fifty percent (50%) on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

48. Our Promoters and members of our Promoter Group will not participate in the Issue.
49. The Lead Manager and its associates do not hold any Equity Shares in our Company as on the date of filing this Draft Prospectus.

OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of 19,80,000 Equity Shares of our Company at an Issue Price of ₹20/- per Equity Share.

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects and gain benefits of listing on SME Platform of BSE.

The Objects of the Issue are:

- A. To meet the working capital requirements of the company General Corporate Purposes
- B. To meet the Issue Expenses

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. It will also make future financing easier and affordable in case of expansion or diversification of the business. Further, listing attracts interest of institutional investors as well as foreign institutional investors.

The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our MOA. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution.

Details of the Proceeds of the Issue:

| Sl. No. | Particulars | Amount (`Rs. in Lakhs) |
|---------|----------------------|---------------------------|
| 1 | Gross Issue Proceeds | 396.00 |
| 2 | Less: Issue Expenses | 25.00 |
| 3 | Net Issue Proceeds | 371.00 |

Requirement of Funds

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

The following table summarizes the requirement of funds:

| Sl. No. | Particulars | Amount (`Rs. in Lakhs) |
|---------|-------------------------------------|---------------------------|
| 1 | To meet Working Capital Requirement | 301 |
| 2 | General Corporate Purposes | 70 |
| | Total | 371 |

Means of Finance:

We propose to meet the entire requirement of funds for the stated Objects of the Issue from the IPO Proceeds. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 230(1)(e) of the SEBI ICDR Regulations and Clause 9 (C) of Part A of Schedule VI of the SEBI ICDR

Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

Deployment of Net Proceeds and Schedule of Implementation:

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

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

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail re-scheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013.

Details of the Use of the Proceeds

1. To Meet Working Capital Requirement

Earlier our Company was a Partnership firm and converted to a public limited company under the Part I of Chapter XXI of the Companies Act, 2013 on September 13, 2018 and on the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated January 04, 2019 has approved the business plan for the Five year period for Fiscals 2019, 2020, 2021 and 2022. The projected working capital requirements for Fiscal 2019 and 2020 are as stated below:

| | (Rs. in Lakhs) | |
|----------------------------------|------------------------|------------------------|
| Particulars | 31.03.2019 (Estimated) | 31.03.2020 (Estimated) |
| Cash & Bank Balance | 100.47 | 288.70 |
| Sundry Debtors | 160.53 | 356.44 |
| Inventories | 56.95 | 193.68 |
| Other Current Assets | 0.00 | 79.89 |
| Short Term Loans and Advances | 210.67 | 160.67 |
| Total Current Assets | 528.63 | 1079.39 |
| Sundry Creditors | 58.51 | 64.56 |
| Other Current Liabilities | 1.28 | 2.56 |
| Short Term Provisions | 26.14 | 79.89 |
| Total Current Liabilities | 85.93 | 147.02 |
| Working Capital Gap | 442.70 | 932.38 |
| Source of Working Capital | | |
| Bank Loan | 0.00 | 118.68 |
| Proceeds from IPO | 0.00 | 301.00 |
| Internal Accrual | 442.70 | 522.70 |
| Total | 442.70 | 932.38 |

Note: It has been assumed that the IPO process will be complete in Q4 of 2018-19 and full utilised will be started upon receipt of fund but completion is schedule for F.Y. 2019-20

1. Facility of ₹ 200.00 lakhs from RBL Bank as per Sanction letter date January 18, 2019.

Please refer to Section titled, **Financial Indebtedness**, beginning on page no. 96 of this Draft Prospectus.

Working Capital Requirement and basis of estimation:

| Particulars | Unit | 2018-19 | 2019-20 | 2020-2021 |
|-------------------------------|-------------|----------------|----------------|------------------|
| Avg. Inventory holding Period | Days | 40 | 90 | 90 |
| Debtors holding Period | Days | 62 | 90 | 90 |
| Creditors holding Period | Days | 41 | 30 | 30 |

General Corporate Purpose

The Net Proceeds will be first utilized towards the Objects as mentioned as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the Chapter IX, Regulation 230 (2) of SEBI ICDR Regulations, 2018. 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:

(i) Strategic initiatives (ii) brand building and strengthening of marketing activities; and (iii) 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 Expense

The expenses for this Issue include issue management fees, underwriting fees, selling commission, registrar fees, legal advisor fees, printing and distribution expenses, issue related advertisement expenses, depository charges, advisor fees and listing fees etc. to the Stock Exchange, among others. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

| Activity | Estimated Expenses* (Rs. in Lakhs) | As a % of Total Estimated Issue Expenses | As a % of the Total Issue Size |
|---|---|---|---------------------------------------|
| Lead Manager Fees including Underwriting Commission, Brokerage, Selling Commission and upload Fees, Registrar to the Issue, Legal Advisors etc and other out of Pocket Expenses | [•] | [•] | [•] |
| Advertising and Marketing Expenses | [•] | [•] | [•] |
| Regulators Including Stock Exchanges | [•] | [•] | [•] |
| Printing and distribution of Issue Stationary | [•] | [•] | [•] |
| Total | [•] | [•] | [•] |

*This is the estimated amount actual amount may vary on actuals.

*Selling commission payable to the Registered Brokers, CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be would be [•]% on the Amount Allotted (Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price).

Registered Brokers, will be entitled to a commission of ₹ [•] (plus GST) per 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.

SCSBs would be entitled to a processing fee of ₹ [●] (plus GST) for processing the Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to SCSBs.

Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ [●] (plus GST) for processing the Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to them.

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

Appraisal by Appraising Fund:

None of the Objects for which the Net Proceeds will be utilised have been any agency. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

Shortfall of Funds

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

Bridge Financing Facilities

As on the date of this Draft Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement/cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.

Interim Use of Proceeds

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

Monitoring Utilization of Funds

As the Issue size is less than Rs. 10,000 Lakhs, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

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

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

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Initial Public Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. Further, pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half- yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

Other Confirmations

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company’s Key Managerial Personnel, director of promoters in relation to the utilisation of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel, director of promoters except in the normal course of business and in compliance with the applicable laws.

BASIS FOR THE ISSUE PRICE

The Issue Price of Rs.20.00 per Equity Share has been determined by our Company, in consultation with the LM on the basis of an assessment of market demand for the Equity Shares through the Fixed Price Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Share of our Company is Rs. 10.00 and Issue Price is 2.00 times the face value.

Qualitative Factors

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

- Established and proven track record;
- Leveraging the experience of our Promoters;
- Experienced management team and a motivated and efficient work force;
- Cordial relations with our customers
- Quality Assurance and Control

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to Section titled, **Our Business**, beginning on page no. 96 of this Draft Prospectus.

Quantitative Factors

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

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

EPS: As per the Company's restated financial information:

| Particulars | Basic and Diluted EPS (Rs.) | Weight |
|--|-----------------------------|--------|
| Year ended March 31, 2018 | 4.59 | 3 |
| Year ended March 31, 2017 | 1.53 | 2 |
| Year ended March 31, 2016 | 0.72 | 1 |
| Weighted average | 2.93 | |
| Period ended Sept 12 th , 2018 [^] | 0.59 | |

[^] Not Annualised.

Notes:

1. 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. The figures disclosed above are based on the Restated Summary Financial Information of our Company.
2. The face value of each Equity Share is ₹ 10.
3. Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.
4. Basic Earnings per share = Net profit/ (loss) after tax, as restated attributable to equity shareholders / Number of shares outstanding during the year/ period.
5. Diluted Earnings per share = Net profit after tax, as restated / Weighted average number of diluted equity shares outstanding during the year/ period.
6. Weighted average = Aggregate of year-wise weighted Basic EPS divided by the aggregate of weights i.e. [Basic (EPS x Weight) for each fiscal] / [Total of weights].

2. Price to Earning (P/E) Ratio in relation to the Issue Price of ₹ 20.00 per Equity Share of face value of ₹ 10.00 each.

| Particulars | EPS (in ₹) | P/E Ratio |
|---|------------|-----------|
| P/E ratio based on the Basic & Diluted EPS for period ended Sept 12 th , 2018 [^] | 0.59 | 33.90 |
| P/E ratio based on the Basic & Diluted EPS for FY 2017-18 | 4.59 | 4.36 |
| P/E ratio based on the Weighted Average EPS | 2.93 | 6.84 |

[^] Not Annualised.

3. Industry P/E ratio*

| Particulars | P/E |
|-------------|-------|
| Highest | 125.6 |
| Lowest | 5.3 |
| Average | 65.45 |

* Source: Capital Market; Vol. XXX111/26, Feb 11-24, 2019

4. Average Return on Net Worth (RoNW)

| Particulars | RONW % | Weight |
|--|--------------|--------|
| Year ended March 31, 2018 | 45.92 | 3 |
| Year ended March 31, 2017 | 15.28 | 2 |
| Year ended March 31, 2016 | 7.19 | 1 |
| Weighted average | 29.25 | |
| Period ended Sept 12 th , 2018 [^] | 5.85 | |

Weighted average: Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. [(Return on Net Worth x Weight) for each year] / [Total of weights]

[^] Not annualised

Note:

Net worth has been computed by aggregating share capital and reserves and surplus as per the audited restated financial information. Revaluation reserve or miscellaneous expenditure (to the extent not written off) is not considered for calculating Reserve & Surplus.

5. Net Assets Value:

| Particulars | Amount (In ₹) |
|---|---------------|
| Net Asset Value per Equity Share as of Sept 12 th , 2018 | 10.10 |
| Net Asset Value per Equity Share as of March 31, 2018 | 10.00 |
| Net Asset Value per Equity Share after the Issue | 12.78 |
| Issue Price per equity share | 20.00 |

*Note: Net Asset Value per equity share represents "total assets less total liability (excluding deferred tax) as per the restated financial information as divided by the number of equity shares outstanding as at the end of year/period.

6. Comparison with other listed companies/Industry peers:

| Name of Company | Face Value (in ₹) | EPS Basic | NAV per Equity Share | P/E Ratio | RONW (%) |
|------------------------------|-------------------|-----------|----------------------|-----------|----------|
| Kewal Kiran Clothing Limited | 10 | 59.4 | 352.7 | 19.00 | 18.9 |
| Jindal Worldwide Limited | 10 | 2.8 | 16.9 | 35.3 | 19.2 |

| | | | | | |
|----------------------------|----|------|-------|-------|-------|
| SK International Limited @ | 10 | 0.59 | 10.10 | 33.90 | 5.85 |
| SK International Limited # | 10 | 4.43 | 9.66 | 4.51 | 45.92 |
| Industry Composite | | | | 31.7 | |

@ On the basis of September 12, 2018; # On the basis of March 31, 2018

* Source: Capital Market; Vol. XXX111/26, Feb 11-24, 2019

Note: We believe that none of the listed companies in India offer products or services across the various business segments in which we operate. Hence a strict comparison is not possible.

The Company in consultation with the Lead Manager and after considering various valuation fundamentals including Book Value and other relevant factors believes that the issue price of Rs. 20.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to pursue the “**Risk Factors**” beginning on page no 21 of this Draft Prospectus and Financials of the company as set out in the “**Financial Statements as Restated**” beginning on page no 147 of this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is Rs. 10.00 per share and the Issue Price is 2.0 times of the face value i.e. Rs. 20.00 per share.

STATEMENT OF TAX BENEFITS

The Board of Directors,
SK International Export Limited,
78, Ground, A2, Shah & Nahar Industrial Estate,
Sitaram Jadhav Marg, Lower Parel,
Mumbai – 400013, Maharashtra India

Dear Sirs,

Sub: Statement of possible special tax benefits (“the Statement”) available to SK International Export Limited, (the Company”) and its shareholders prepared in accordance with the requirements in Schedule VIII (Part A)(VII)(L) of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended (“the Regulations”)

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (‘Act’) as applicable to the Financial Year 2018-19 relevant to Assessment Year 2019-20, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfil.

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

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

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

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

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

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

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

For A Biyani & Co.,
Chartered Accountants
Sd/-
Ashutosh Biyani
Proprietor
FRN No.140489W
Membership No. 165017
Place: Mumbai
Date: 25-01-2019

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SK INTERNATIONAL EXPORTS LIMITED, (“THE COMPANY”) AND IT’S SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

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 legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

1. Special Tax Benefits to the Company

There are no Special tax benefits available to the Company.

2. Special Tax Benefits available to the shareholders of the Company

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

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 jointholders.
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

You should consult your own Tax Advisors concerning the Indian Tax implications and consequences of purchasing, owning and disposing of equity shares in your particular situation.

SECTION IV-ABOUT THE COMPANY

OUR INDUSTRY

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

Global Outlook

Global growth is moderating as the recovery in trade and manufacturing activity loses steam. Despite ongoing negotiations, trade tensions among major economies remain elevated. These tensions, combined with concerns about softening global growth prospects, have weighed on investor sentiment and contributed to declines in global equity prices. Borrowing costs for emerging market and developing economies (EMDEs) have increased, in part as major advanced-economy central banks continue to withdraw policy accommodation in varying degrees. A strengthening U.S. dollar, heightened financial market volatility, and rising risk premiums have intensified capital outflow and currency pressures in some large EMDEs, with some vulnerable countries experiencing substantial financial stress. Energy prices have fluctuated markedly, mainly due to supply factors, with sharp falls toward the end of 2018. Other commodity prices—particularly metals—have also weakened, posing renewed headwinds for commodity exporters.

Economic activity in advanced economies has been diverging of late. Growth in the United States has remained solid, bolstered by fiscal stimulus. In contrast, activity in the Euro Area has been somewhat weaker than previously expected, owing to slowing net exports. While growth in advanced economies is estimated to have slightly decelerated to 2.2 percent last year, it is still above potential and in line with previous forecasts.

EMDE growth edged down to an estimated 4.2 percent in 2018—0.3 percentage point slower than previously projected—as a number of countries with elevated current account deficits experienced substantial financial market pressures and appreciable slowdowns in activity. More generally, as suggested by recent high-frequency indicators, the recovery among commodity exporters has lost momentum significantly, largely owing to country-specific challenges within this group. Activity in commodity importers, while still robust, has slowed somewhat, reflecting capacity constraints and decelerating export growth. In low-income countries (LICs), growth is firming as infrastructure investment continues and easing drought conditions support a rebound in agricultural output. However, LIC metals exporters are struggling partly reflecting softer metals prices. Central banks in many EMDEs have tightened policy to varying degrees to confront currency and inflation pressures.

In all, global growth is projected to moderate from a downwardly revised 3 percent in 2018 to 2.9 percent in 2019 and 2.8 percent in 2020-21, as economic slack dissipates, monetary policy accommodation in advanced economies is removed, and global trade gradually slows. Growth in the United States will continue to be supported by fiscal stimulus in the near term, which will likely lead to larger and more persistent fiscal deficits. Advanced-economy growth will gradually decelerate toward potential, falling to 1.5 percent by the end of the forecast horizon, as monetary policy is normalized and capacity constraints become increasingly binding.

Softening global trade and tighter financing conditions will result in a more challenging external environment for EMDE economic activity. EMDE growth is expected to stall at 4.2 percent in 2019—0.5 percentage point below previous forecasts, partly reflecting the lingering effects of recent financial stress in some large economies (e.g., Argentina, Turkey), with a sharply weaker-than-expected pickup in commodity exporters accompanied by a deceleration in commodity importers. EMDE growth is projected to plateau at an average of 4.6 percent in 2020-21, as the recovery in commodity exporters levels off. Per capita growth will remain anemic in several EMDE regions—most notably, in those with a large number of commodity exporters—likely impeding further poverty alleviation. (Source: Global Economic Prospects-January 2019- www.worldbank.org)

EMDE outlook

Growth outlook

EMDE growth is expected to stall at 4.2 percent in 2019—down 0.5 percentage point relative to previous projections. This reflects the lingering effects of recent financial market stress on several large economies, a lackluster and notably softer-than-envisioned cyclical recovery in commodity exporters, and a further deceleration in commodity importers. Growth across EMDEs in 2019 is expected to be close to the upper bound of estimates of its potential pace—particularly among commodity importers, where slack has largely been exhausted. Growth in EMDEs is foreseen to increase to 4.5 percent in 2020, with a large part of this acceleration reflecting the projected dissipation of severe headwinds in a few large economies (e.g., Argentina, Iran, Turkey). In 2021, EMDE growth is expected to plateau at 4.6 percent as the recovery in commodity exporters matures. Throughout the forecast horizon, the international context is expected to be increasingly less favorable, in light of a projected slowdown in advanced-economy growth, weakening trade and investment, tighter financing conditions, and trade policy uncertainty. These factors will impede further acceleration in EMDE activity. Growth in commodity exporters is projected to pick up to 2.3 percent in 2019—sharply below previous expectations—and plateau at 2.9 percent in both 2020 and 2021. Some large economies that experienced sizable contractions in activity in 2018 are expected to gradually recover over the forecast horizon (e.g., Angola, Argentina, Iran). The outlook for commodity exporters is uneven, however, partly owing to renewed market attention to country-specific vulnerabilities. (Source: Global Economic Prospects-January 2019-www.worldbank.org)

OVERVIEW OF INDIA'S ECONOMY

After registering GDP growth of over 7 per cent for the third year in succession in 2016-17, the Indian economy is headed for somewhat slower growth, estimated to be 6.5 per cent in 2017-18, as per first Advance Estimates released by CSO. This is slightly lower than the range of 6.5 per cent to 6.75 per cent being currently projected based on recent developments. Even with this lower growth for 2017-18, GDP growth has averaged 7.3 per cent for the period from 2014-15 to 2017-18, which is the highest among the major economies of the world. That this growth has been achieved in a milieu of lower inflation, improved current account balance and notable reduction in the fiscal deficit to GDP ratio makes it all the more creditable. In addition to the introduction of GST, the year also witnessed significant steps being undertaken towards resolution of problems associated with non-performing assets of the banks, further liberalization of FDI, etc., thus strengthening the momentum of reforms. After remaining in negative territory for a couple of years, growth of exports rebounded into positive one during 2016-17 and strengthened further in 2017-18. There was an augmentation in the spot levels of foreign exchange reserves to close to US\$ 414 billion, as on 12th January 2018.

Concerns have been expressed about growing protectionist tendencies in some countries and it remains to be seen as to how the situation unfolds. Additionally, average crude oil (Indian basket) prices have risen by around 14 per cent so far in 2017-(mid-January 2018) vis-à-vis 2016-17. Going by the recent trends, the average crude oil prices could be in the vicinity of US\$ 56-57 per barrel in the current financial year and could rise further by another 10-15 per cent in 2018-19. Some of these factors could have dampening effect on GDP growth in the coming year. However, with world growth likely to witness moderate improvement in 2018, expectation of greater stability in GST, likely recovery in investment levels, and ongoing structural reforms, among others, should be supporting higher growth. On balance, country's economic performance should witness an improvement in 2018-19.

(Source: *Economic Survey 2017-18 Volume II* www.indiabudget.nic.in)

GDP Growth in 2017-18

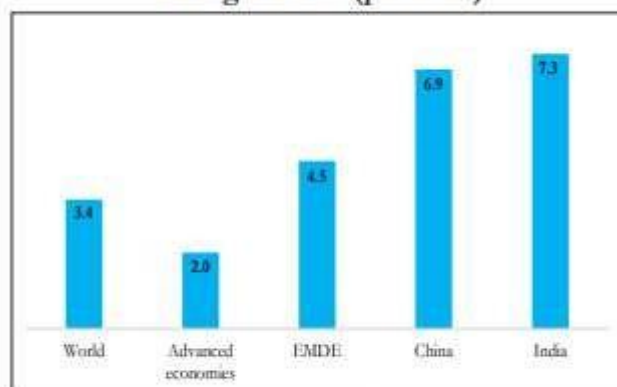
With Gross Domestic Product (GDP) growth averaging 7.5 per cent between 2014-15 and 2016-17, India can be rated as among the best performing economies in the world on this parameter. Although growth is expected to decline to 6.5 per cent in 2017-18, bringing the 4-year average to 7.3 per cent, the broad story of India's GDP growth to be significantly higher than most economies of the world does not alter. The growth is around 4 percentage points higher than global growth average of last 3 years and nearly 3 percentage points more than the average growth achieved by emerging market & developing economies (EMDE) (Figure 1).

As per the first Advance Estimates (1st AE), released by Central Statistics Office (CSO), growth rate of Gross Value of Added (GVA) at constant basic prices is estimated at 6.1 per cent in 2017-18, as compared to 6.6 per cent in 2016-17. This is on account of lower growth in 'Agriculture & allied', and 'Industry' sector, which are expected to grow at

2.1 per cent and 4.4 per cent respectively. In 2017-18, service sector is expected to grow at 8.3 per cent, as compared to 7.7 per cent in 2016-17 within the services sector, only the growth of 'Public administration, defence & other services' sector is expected to decline in 2017-18

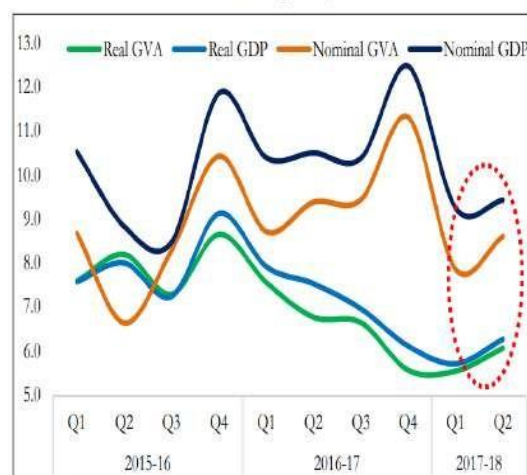
From a low of 5.5 per cent in 2012-13, growth in GDP steadily improved for 3 years and peaked in 2015-16, particularly in fourth quarter (Q4) when it printed 9.1 per cent (GVA growth also peaked in Q4 of 2015-16). However, growth started slowing down from first quarter (Q1) of 2016-17. GDP and GVA growth slowed to 6.1 per cent and 5.6 per cent respectively in Q4 of 2016-17. GDP growth further declined to 5.7 per cent in Q1 of 2017-18. However, the second quarter (Q2) of 2017-18 witnessed reversal of declining trend of GDP growth, with growth increasing to 6.3 per cent. The nominal GDP and GVA growth also picked up to 9.4 per cent and 8.6 per cent respectively in Q2 of 2017-18 (Figure 2).

Figure 1 : Average growth of GDP during 2014-17 (per cent)



Source: Based on IMF's World Economic Outlook Database (October 2017)

Figure 2 : Quarterly growth in GDP and GVA (per cent)



Source: Central Statistics Office (CSO)

(Source: Economic Survey 2017-18 Volume II www.indiabudget.nic.in)

External Sector

The global economy has been gathering pace and is expected to accelerate from 3.2 per cent in 2016 to 3.7 per cent in 2018. World trade volume growth is projected to increase from 2.4 per cent in 2016 to 4.2 per cent and 4.0 per cent respectively in 2017 and 2018. Commodity prices (fuel and nonfuel) are also expected to grow in contrast to decline in the last few years. India's external sector has continued to be resilient and strong in 2017-18 so far and the balance of payments (BoP) situation continued to be comfortable. Current account deficit (CAD) was 1.8 per cent of GDP, merchandise exports grew by 12 per cent, net services receipts grew by 14.6 per cent, net foreign investment grew by per cent, and external debt indicators improved in H1 of 2017-18. (Source: Economic Survey 2017-18 Volume II www.indiabudget.nic.in)

Prospects of Growth for 2018-19

CSO has estimated the GDP growth in 2017-18 to be 6.5 per cent. However, there are indicators that have emerged in the last few days like manufacturing and services PMI, growth of industrial sector as reflected by higher IIP, automobile sales etc. which seem to suggest that the GDP growth could be a little higher than CSO's estimates and for 2017-18, (it could be in the range of 6.5 to 6.75 per cent). The growth during 2018-19 could be higher, depending on a number of factors. On the positive side, as per IMF's World Economic Outlook released in October 2017, the global growth is expected to accelerate to 3.7 per cent in 2018 from 3.6 per cent in 2017. This can be expected to provide further boost to India's exports, which have already shown acceleration in the current financial year. Remittances have shown signs of revival in the first half of current year and can be expected to pick up, particularly if oil prices maintain their rising trend witnessed in the current year.

There are signs of revival of investment activity in the economy and the recent pick up in the growth of fixed investment can be expected to maintain momentum in the coming year. The policy rates can be expected to remain fairly stable if the inflation rate does not deviate much from its current levels. This, along with the still favourable interest rate regime prevailing in the global markets could provide greater certainty to the investment climate. The

reform measures undertaken in 2017-18 can be expected to strengthen further in 2018-19 and reinforce growth momentum. On the other hand, downside risk to higher growth emanate from higher crude oil prices, which (going by current indications) can be expected to increase by about 10-15 per cent over and above the likely average price of around US\$ 56-57 per barrel (for Indian basket) for 2017-18. Protectionist tendencies in some of the countries could have an impact on exports growth, while the possibility of tightening of monetary conditions in the developed countries could lead to lower capital inflows. This monetary tightening could also lead to the possibility of financial stress and therefore can be a downside risk. On balance, there is a strong possibility of growth in 2018-19 to be higher than what it is expected to be in 2017-18. Growth of GDP in 2018-19 could be in the range of 7.0 to 7.5 per cent. (Source: *Economic Survey 2017-18 Volume II* www.indiabudget.nic.in)

Textile Industry & Market Growth in India

Introduction

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. India's overall textile exports during FY 2017-18 stood at US\$ 39.2 billion.

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

Market Size

The Indian textiles industry, currently estimated at around US\$ 150 billion, is expected to reach US\$ 250 billion by 2019. 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.

The production of raw cotton in India is estimated to have reached 34.9 million bales in FY18[^].

Investment

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 2.97 billion during April 2000 to June 2018.

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

In May 2018, textiles sector recorded investments worth Rs 27,000 crore (US\$ 4.19 billion) since June 2017.

The Government of India announced a Special Package to boost exports by US\$ 31 billion, create one crore 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).

Government Initiatives

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

Initiatives taken by Government of India are:

- 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.
- 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.
- The Government of India announced a Special Package to boost exports by US\$ 31 billion, create one crore job opportunity and attract investments worth Rs 80,000 crore (US\$ 11.93 billion) during 2018-2020. As of August 2018 it generated additional investments worth Rs 25,345 crore (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 Up-gradation Fund Scheme (A-TUFS), scheme is estimated to create employment for 35 lakh people and enable investments worth Rs 95,000 crore (US\$ 14.17 billion) by 2022.
- Integrated Wool Development Programme (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.
- 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 1,300 crore (US\$ 202.9 million) from 2017-18 to 2019-20.

Achievements

Following are the achievements of the government in the past four years:

- I-ATUFS, a web-based claims monitoring and tracking mechanism was launched on April 21, 2016.
- 381 new block level clusters were sanctioned.
- 20 new textile parks were sanctioned
- Employment increased to 8.62 million in FY18 from 8.03 in FY15.

Road Ahead

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

Exchange Rate Used: INR 1 = US\$ 0.0142 as of Q2 FY19.

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

Note: ^ - Third advance estimates for FY18 of 170 kgs each

Reports

The textile and apparel industry can be broadly divided into two segments - yarn and fibre, and processed fabrics and apparel. The domestic textile industry in India is estimated to reach US\$ 223 billion by 2021F from US\$ 150 billion in November 2017, while cotton production in India is have reached 36.1 million bales in FY19.^ In FY19, growth in private consumption is expected to create strong domestic demand for textiles.#

Increased penetration of organised retail, favourable demographics, and rising income levels are likely to drive demand for textiles. Cloth production stood at 40.6 billion square metres (provisional) in FY19P*. India is the world's second largest exporter of textiles and clothing.

Textile and apparel exports from India are expected to increase to US\$ 82 billion by 2021. Exports of textiles and apparels from India reached US\$ 21.95 billion in FY19*. Manmade garments remain the largest contributor to total textile and apparel exports from India, contributing 24.53 per cent to total textile.

Rising government focus and favourable policies is leading to growth in the textiles and clothing industry. The Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS). Under the Union Budget 2018-19, Rs 2,300 (US\$ 355.27 million) crore have been allocated for TUFS and Rs 30 crore (US\$ 4.63 million) for the Scheme for Integrated Textile Parks, under which there are 47 ongoing projects. In May 2018, textiles sector recorded investments worth Rs 27,000 crore (US\$ 4.19 billion) since June 2017. 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)'. The Government of India announced a Special Package to boost exports by US\$ 31 billion, create one crore 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). Cumulative FDI in the Indian textiles reached US\$ 2.97 billion between April 2000 to June 2018.

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. 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.

EXECUTIVE SUMMARY

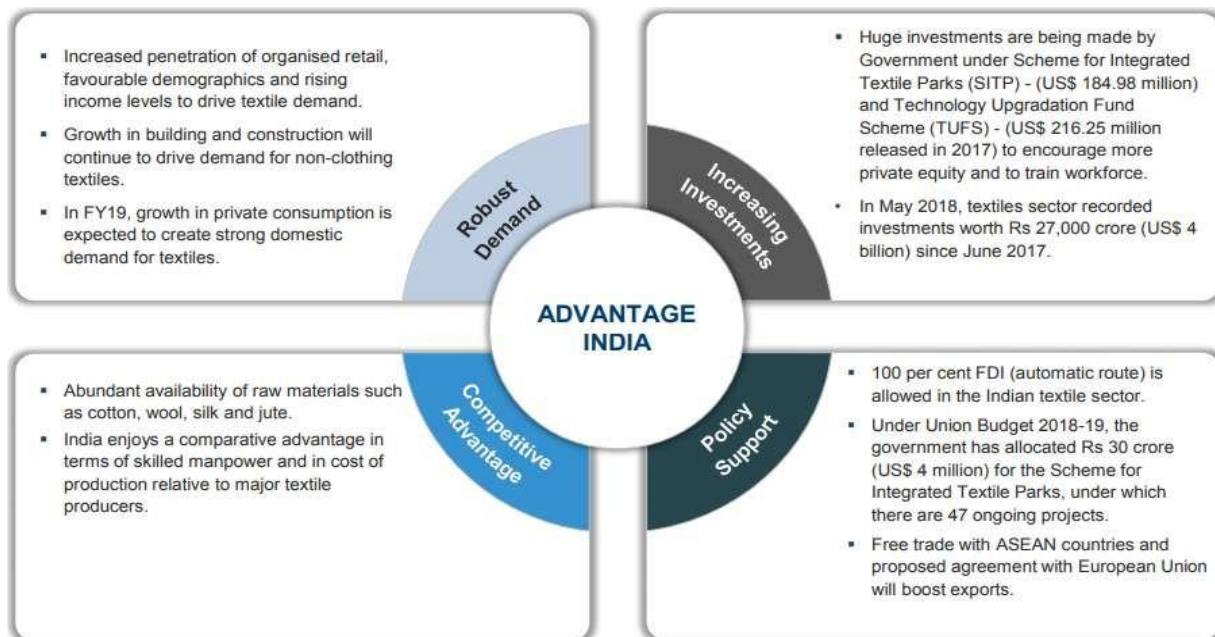
- Rising per capita income, favourable demographics and a shift in preference to branded products to boost demand.
- The domestic textile industry in India is projected to reach US\$ 223 billion by 2021F from US\$ 150 billion in November 2017.
- Favourable trade policies and superior quality to drive textile exports.
- India's textile and apparel exports stood at US\$ 39.20 billion in FY18 and is expected to increase to US\$ 82.00 billion by 2021 from US\$ 21.95 billion in FY19*
- Increase in domestic demand set to boost cloth production.
- Cloth production in FY18 stood at 67.5 billion square metres (provisional) and stood at 40.6 billion square metres (provisional) in FY19P*.

Notes: E – Estimate, F – Forecast, ^ - as of November 2017, * - between April–October 2018, P - Provisional CAGR up to FY18, P – Provisional

Source: Ministry of Textiles, Make in India



ADVANTAGE INDIA

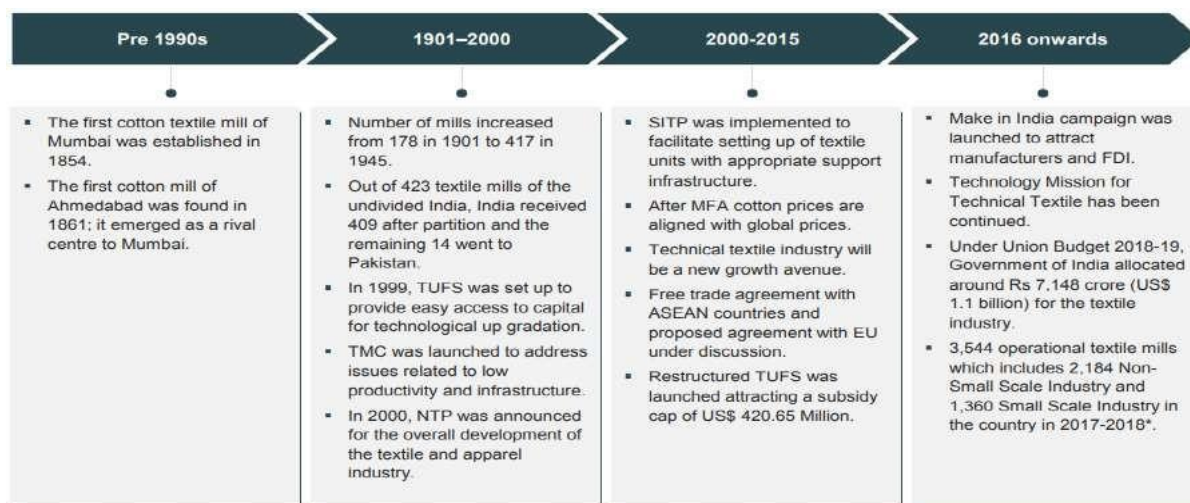


Note: SITP - Scheme for Integrated Textile Park; FDI - Foreign Direct Investment, ASEAN - Association of Southeast Asian Nations

Source: PHD, Camber of Commerce; Federation of Indian Chambers of Commerce and Industry.

MARKET OVERVIEW

EVOLUTION OF THE INDIAN TEXTILE SECTOR



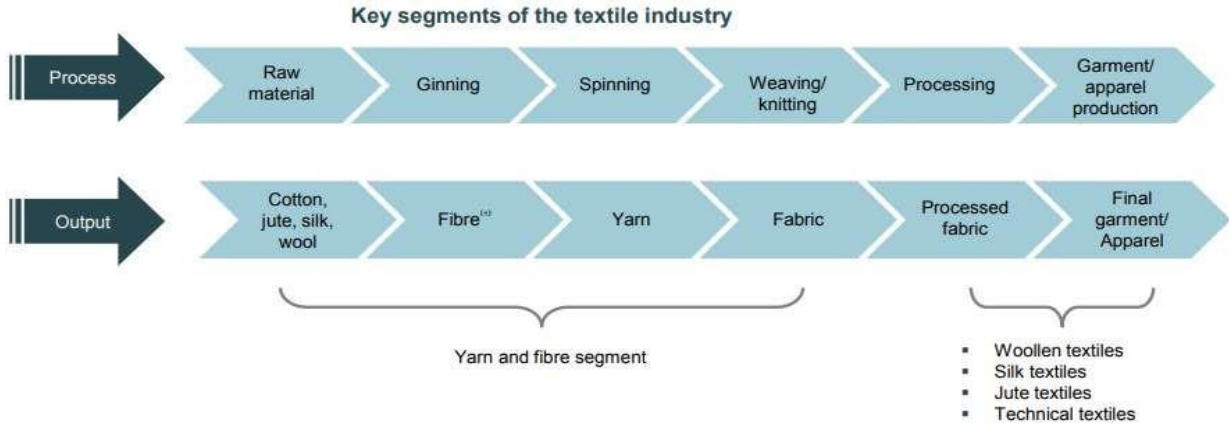
Note: NTP - National Textile Policy; NTC - National Textiles Corporation; ASEAN - Association of Southeast Asian Nations, TUFS - Technology Upgradation Fund Scheme; TMC Technology Mission on Cotton, EU - European Union, * As on October 31, 2017 and update is expected by January 2019

Source: Union Budget 2015-16, Make In India

KEY FACTS

- 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.

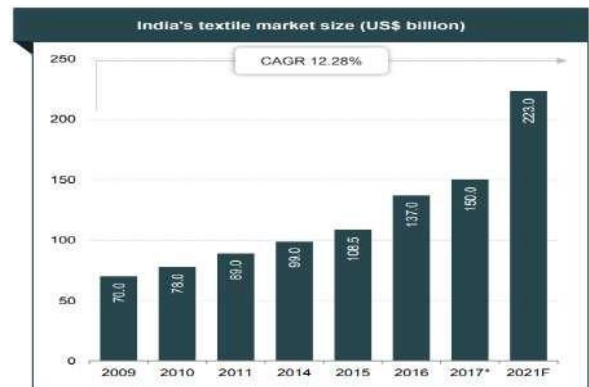
- India’s textiles industry contributed seven per cent of the industry output (in value terms) of India in 2017-18.
- It contributed two per cent to the GDP of India and employs more than 45 million people in 2017-18
- The sector contributed 15 per cent to the export earnings of India in 2017-18.



Source: Textile Ministry, Make in India

THE SECTOR HAS BEEN POSTING STRONG GROWTH OVER THE YEARS

- The size of India’s textile market as of November 2017 was around US\$ 150 billion, which is expected to touch US\$ 223 billion market by 2021, growing at a CAGR of 12.28 per cent between 2009-21.
- 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 workforce.



Note: F – Forecasted, * As of November 2017
Source: Technopak, Make in India, News articles, Ministry of Textiles.

RAW COTTON AND MAN MADE FIBRE PRODUCTION INCREASING



- India is world’s largest producer of cotton. Production of cotton in India grew from 28.0 million bales in FY07 to 36.1 million bales in FY19^, at a CAGR of 2.1 per cent.
- Cotton production in India is estimated to have reached 34.9 million bales in FY18^.

- Cotton and fibres are major segments in this category. Production of man-made fibre has also been on an upward trend.
- During FY18, production of fibre in India stood at 1.319 million tonnes and reached 0.730 million tonnes in FY19*.

Note: E – Estimate, ^ - during the cotton season October–September, * - between April–September 2018

COTTON IS THE MAJOR SEGMENT IN YARN AND FABRIC

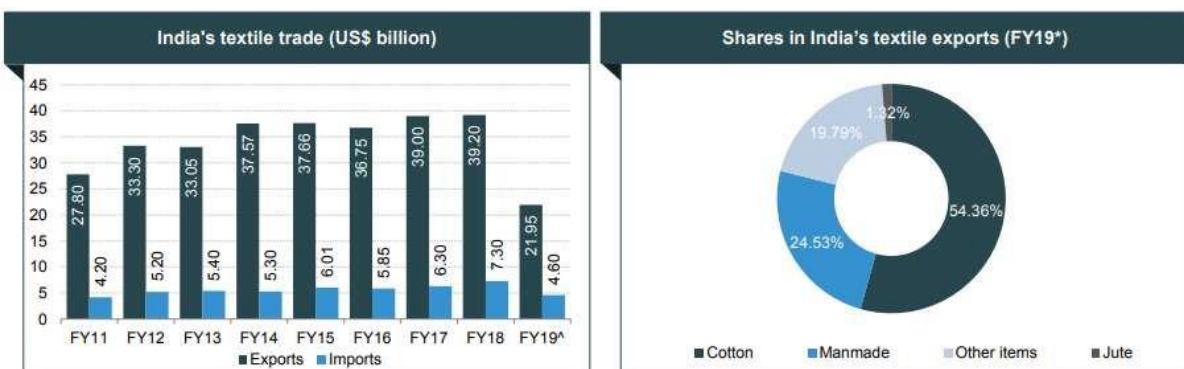


- Production of yarn grew to 5,676 million Kgs in FY18 from 4,712 million Kgs in FY11, implying a CAGR of 2.69 per cent.
- Cotton yarn accounts for the largest share in total yarn production; in FY18, the segment’s share amounted to 71.52 per cent.
- Production of yarn in FY19P* stood at 2,947 million kg.
- Fabric production in the country rose to 66,514 million square metre in FY18 from 52,665 million square metres in FY07.
- Cotton yarn, a major segment in FY11, accounted for more than 51.43 per cent share in fabric production, with the share reaching to 59.98 per cent in FY18 and 60.67 per cent in FY19*.

Note: * - Provisional figures between April–September 2018, P – Provisional

Source: Ministry of Textiles

EXPORTS HAVE POSTED STRONG GROWTH OVER THE YEARS



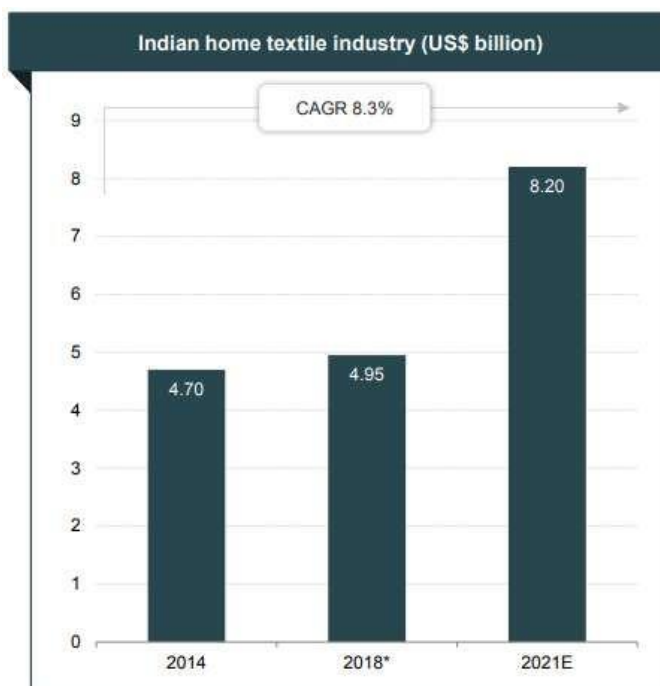
- Exports have been a core feature of India’s textile and apparel sector, a fact corroborated by trade figures.
- Exports of textiles from India reached US\$ 21.95 billion during FY19^.
- The Goods and Services Tax that rolled out in July 2017 is expected to make imported garments cheaper by 5-6 per cent, as the GST regime will levy 5 per cent tax for both domestic textile manufacturers and importers.
- Man Made garments had a share of 24.53 per cent in exports and reached US\$ 932 million in FY2019*.

HOME TEXTILE INDUSTRY – GAINING ON DEMAND FOR EXPORTS

- India's home textile industry is expected to expand at a CAGR of 8.3 per cent during 2014–21 to US\$ 8.2 billion in 2021 from US\$ 4.7 billion in 2014
- India accounts for 7 per cent of global home textiles trade. Superior quality makes companies in India a leader in the US and the UK, contributing two-third to their exports.
- Indian products has gained a significant market share in global home textiles in the past few years.
- The growth in the home textiles would be supported by growing household income, increasing population and growth of end use sectors like housing, hospitality, healthcare, etc.
- In 2018*, Indian home textile industry reached US\$ 4.95 billion.

Note: E – Estimates, * - as of March 2018

Source: Ministry of Textiles

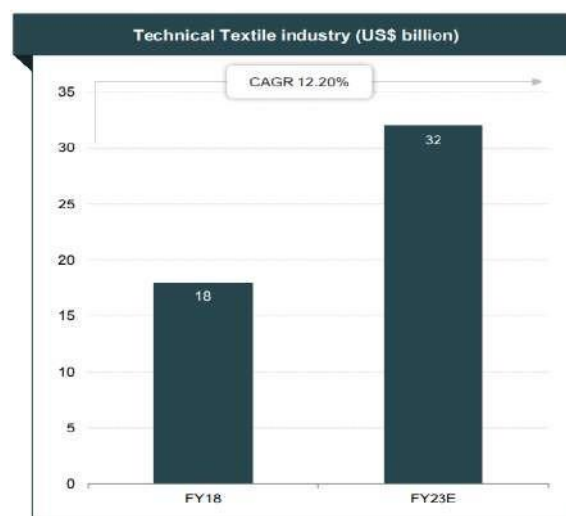


TECHNICAL TEXTILE INDUSTRY – A NEW ARENA OF GROWTH

- 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.
- 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 crore (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 200,823 crore (US\$ 29.96 billion) by 2020-21.

Note: SME - Small and Medium Enterprises, E – Estimates; Figures mentioned are as per latest data available

Source: Chamber of Commerce, Indian Technical Textile Association

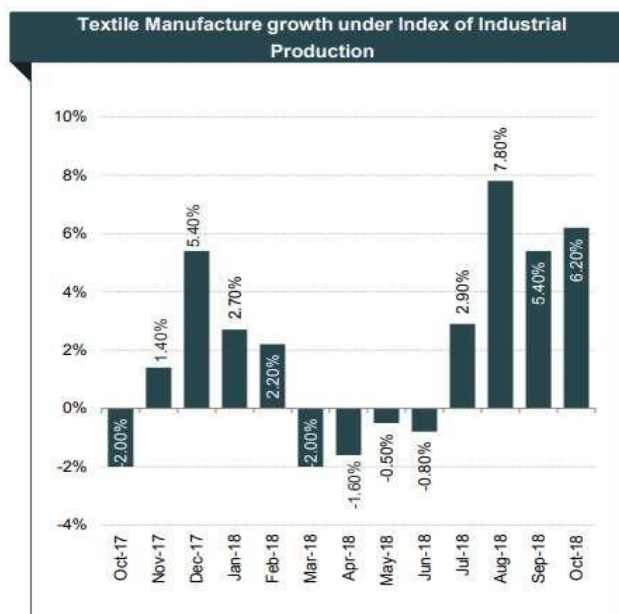


RECENT TRENDS AND STRATEGIES

ROBUST GROWTH IN TEXTILE MANUFACTURING HAS AIDED GROWTH

- Textile manufacturing in India has been growing robustly.
- The size of India's textile industry is expected to touch US\$ 223 billion market by 2021.
- Index of Industrial Production (IIP) is a composite indicator of the changes in the volume of production in a chosen base period (2011- 12). Manufacturing of textiles under IIP index grew at the rate of 6.20 per cent year-on-year depicting a positive trend in October 2018.

Source: Ministry of Statistics and Program Implementation



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 40 crore (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 116,000 crore (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. ▪ 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 2,509 crore (US\$ 389.29 billion). |

Note: TUFS - Technology Upgradation Fund Scheme

Source: Ministry of Textiles

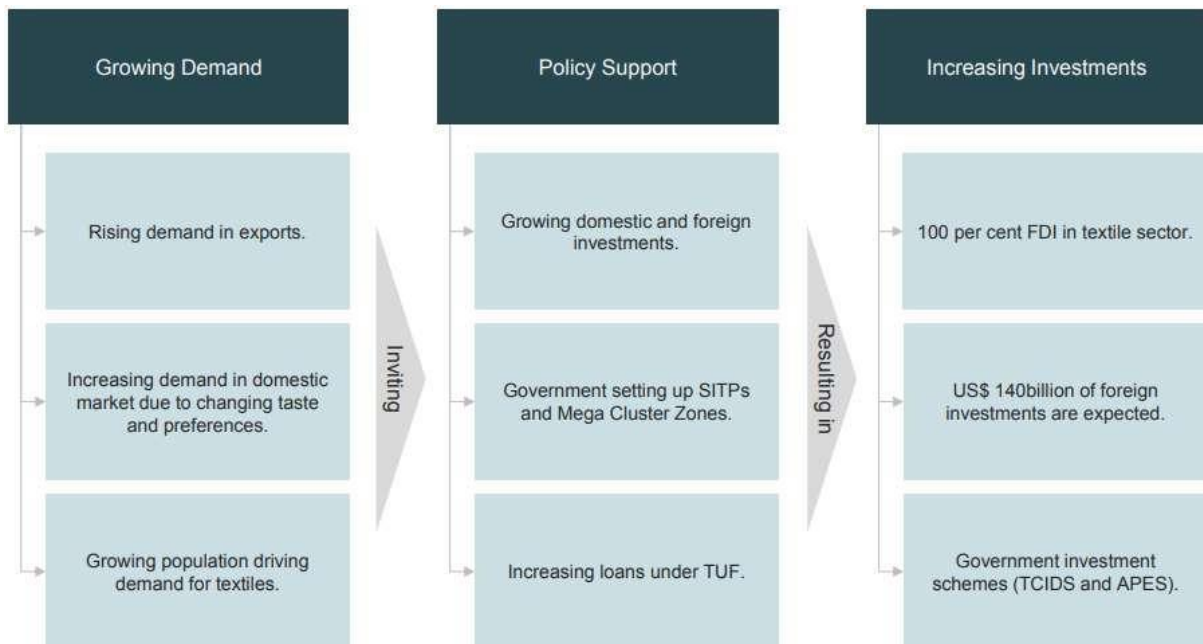
STRATEGIES ADOPTED

| | |
|--|---|
| 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. |
| Diversification | <ul style="list-style-type: none"> ▪ Raymond group under its group company J.K.Helene Curtis is looking to ramp up male grooming segment by unleashing new variants of shampoos and deodorants. |

Source: Annual Reports and Company Presentations

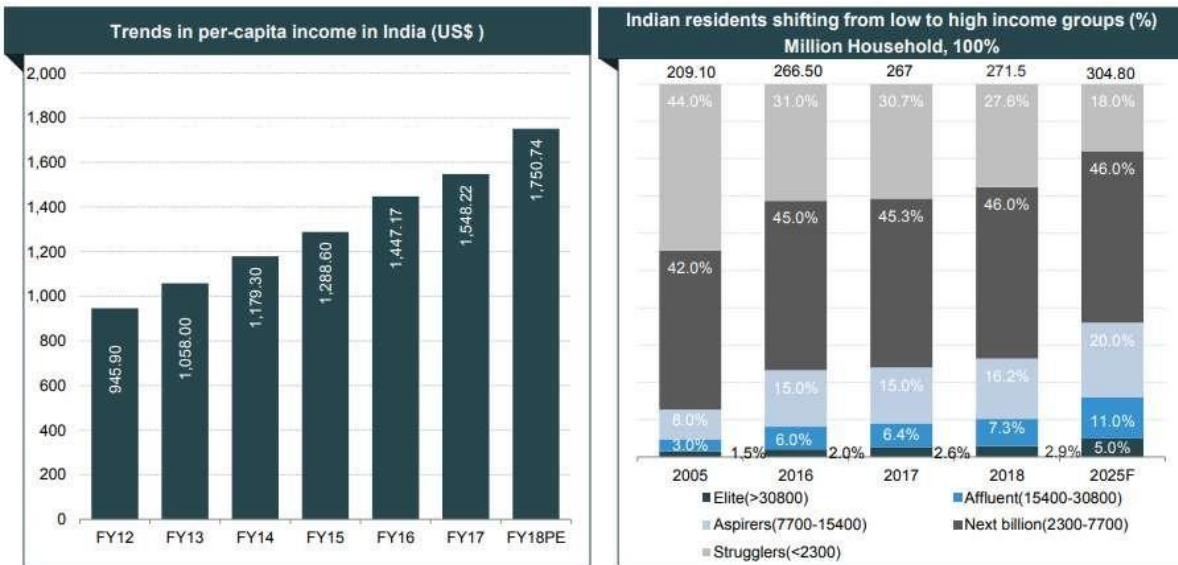
GROWTH DRIVERS

STRONG FUNDAMENTALS AND POLICY SUPPORT AIDING GROWTH



Source: Ministry of Textiles

RIISING INCOMES AND A GROWING MIDDLE-CLASS HAVE BEEN KEY DEMAND DRIVERS



- 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.

Note: PE – Provisional Estimate

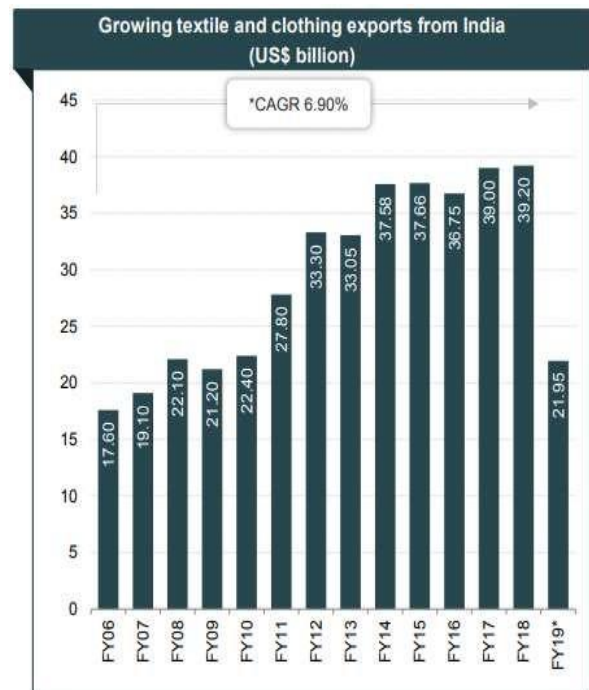
Source: IMF

EXPORTERS GAINING FROM STRONG GLOBAL DEMAND

- 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
- 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*.
- In the coming decades, Africa and Latin America could very well turn out to be key markets for Indian textiles.

Note: * - between April–October 2018, *CAGR upto 2017-18

Source: Ministry of Textiles, Budget 2015



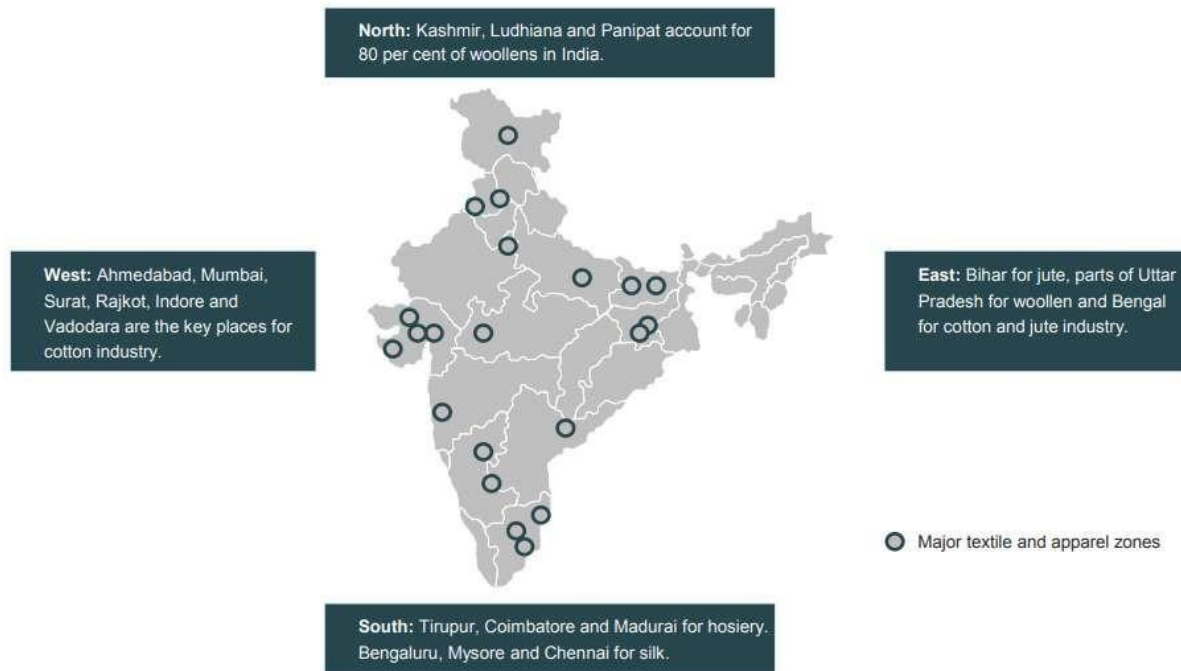
TEXTILE SEZs IN INDIA

- As of July 2018, India had seven exporting SEZs for textiles, apparel and wool.

| Name of SEZ and status | State | Area (hectares) | Sector | Details |
|--|----------------|-----------------|---------------------------------|--|
| Mahindra City SEZ (Functional) | Tamil Nadu | 607.1 | Apparel and fashion accessories | Mahindra City is India's first integrated business city, divided into business and lifestyle zones. It is a cluster of 3 sector specific SEZs in Tamil Nadu, for apparels and fashion accessories; IT and hardware; and auto ancillary. The business zone provides plug-n-play working spaces. This zone comprises a SEZ (primarily for exporters) and Domestic Tariff Area (DTA) for companies targeting domestic market. |
| Surat Apparel Park (Functional) | Gujarat | 56.0 | Textiles | Key industrial units include Safari Exports, Venus Garments, Benchmark Clothings, P. K. International, Tormal Prints, J.R. Fashion and Ganga Export. |
| Brandix India Apparel City (BIAC) (Functional) | Andhra Pradesh | 404.7 | Textiles | BIAC is an integrated apparel supply chain city, managed by Brandix Lanka Ltd. It aims to be a end-to-end apparel solution provider. |
| (KIADB) (Functional) | Karnataka | 16,129.0 | Several sectors | Karnataka Industrial Areas Development Board (KIADB) is a wholly owned infrastructure agency of Government of Karnataka. Till date, KIADB has formed 132 industrial areas spread all over the state. |

Note: SEZ - Special Economic Zone

KEY TEXTILES AND APPAREL ZONES IN INDIA



POLICY SUPPORT HAS BEEN A KEY INGREDIENT TO GROWTH

| | |
|--|---|
| 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 1,400 crore (US\$ 216.25 million) was released under this scheme in 2017. ▪ Under the Union Budget 2018-19, Rs 2,300 (US\$ 355.27 million) crore 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 powerloom 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 1,300 crore (US\$ 202.9 million) from 2017-18 to 2019-20. ▪ The scheme is aimed at providing a demand driven and placement oriented skilling programme 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 690 crore (US\$ 106.58 million) for setting up 21 ready made garment manufacturing units in seven states for development and modernisation of Indian Textile Sector. |
| 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. |

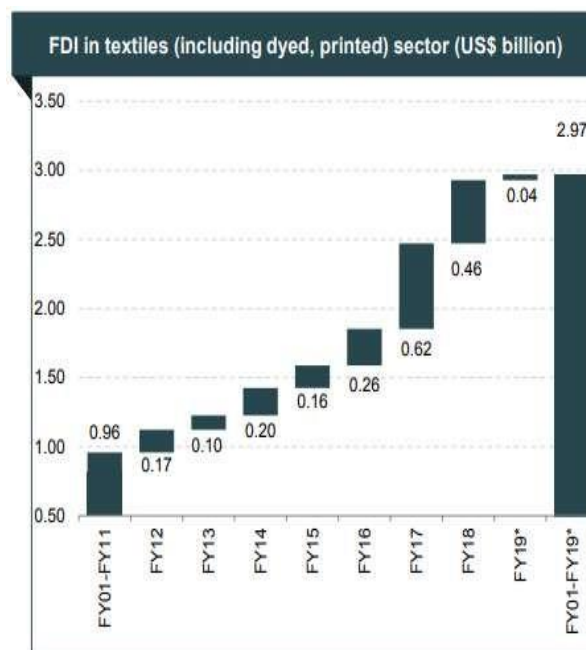
Source: Company website, Business Standard

| | |
|--|--|
| Government Incentives | <ul style="list-style-type: none"> The Government of India announced a Special Package to boost exports by US\$ 31 billion, create one crore 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 Up-gradation 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. To boost exports from India's handicraft sector, the Government of India is in process of identifying 25 export oriented clusters, as of September 2018. |
| SAMARTH | <ul style="list-style-type: none"> In December 2017, Rs 1,300 crore (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 Programme (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. |

Source: Press Releases

FOREIGN INVESTMENTS FLOWING INTO THE SECTOR

- 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 5,000 crore (US\$ 775 million) in various sectors across the value chain.



Note: *- till June 2018, Textiles sector FDI includes Dyed and Printed, FDI – Foreign Direct Investment

Source: Ministry of Commerce and Industry, DIPP

OPPORTUNITIES

Immense growth potential

- The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand.
- The sector is expected to reach US\$ 226 billion by FY2023.
- Population is expected to reach to 1.34 billion by FY2019.
- Urbanisation is expected to support higher growth due to change in fashion and trends.

Private sector participation in silk production

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

Proposed FDI in multi-brand retail

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

Union Budget 2018-19

- Under Union Budget 2018-19, Government of India allocated around Rs 7,148 crore (US\$ 1 billion) for the textile industry.
- Rs 2,300 crore (US\$ 355.27 million) have been allocated for the Technology Up-gradation Fund Scheme (TUFS).
- The allocation for Remission of State Levies (ROSL) is Rs 2,163.85 crore (US\$ 334.24 million), which is expected to be beneficial for exporters of made-ups and apparels, as backlog will be cleared and working capital will be released.
- The government has also proposed to contribute 12 per cent of the new employees' wages towards Employee Provident Fund (EPF) over the next three years, which is expected to boost hiring in the apparel segment and has also extended fixed-term employment to all sectors.
- The government has allocated Rs 112.15 crore (US\$ 17.32 million) towards schemes for powerloom units.
- The government has allocated Rs 30 crore (US\$ 4.63 million) for the Scheme for Integrated Textile Parks, under which there are 47 ongoing projects.
- The handloom clusters under the National Handloom Development Programme will get Rs 396 crore (US\$ 91.17 million) and the Integrated Processing Development Scheme will get Rs 3.8 crore (US\$ 0.59 million).

| Retail sector offers growth potential | Centers of Excellence (CoE) for research and technical training | Foreign investments |
|--|--|--|
| <ul style="list-style-type: none"> ▪ With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with several international players like Marks and Spencer, Guess and Next having entered Indian market. ▪ The organised apparel segment is expected to grow at a Compound Annual Growth Rate of more than 13 per cent over a 10-year period. ▪ India and Bangladesh plans to increase their cooperation in order to increase promote the investment and trade of jute and fabrics. ▪ Future Group plans to expand with 80 stores in order to reach the target sales of 80 million units. This would add to their portfolio of 300 stores spread across the country. | <ul style="list-style-type: none"> ▪ The CoEs are aimed at creating testing and evaluation facilities as well as developing resource centres and training facilities. ▪ Existing 4 CoEs, BTRA for Geotech, SITRA for Meditech, NITRA for Protech and SASMIRA for Agrotech, would be upgraded in terms of development of incubation centre and support for development of prototypes. ▪ Fund support would be provided for appointing experts to develop these facilities. | <ul style="list-style-type: none"> ▪ The government is taking initiatives to attract foreign investments in the textile sector through promotional visits to countries such as Japan, Germany, Italy and France. ▪ According to the new Draft of the National Textile Policy, the government is planning to attract foreign investments thereby creating employment opportunities to 35 million people. ▪ FDI inflows in textiles sector, inclusive of dyed and printed textile, stood at US\$ 2.97 billion from April 2000 to June 2018. ▪ In April 2017, StalkBuyLove, an online fashion brand, has raised US\$ 1 million venture debt from Trifecta Capital, to expand its team and strengthen the supply chain technology. ▪ India can become the one-stop sourcing destination for companies from Association of Southeast Asian Nations (ASEAN), as there exist several opportunities for textile manufacturing companies from 10-nation bloc to invest in India. |

Notes: BTRA - The Bombay Textile Research Association, SITRA - South India Textile Research Association, NITRA - Northern India Textile Research Association, SASMIRA – Synthetic and Art Silk Mills Research Association

Source: DIPP Department of Industrial Policy and Promotion

MAKE IN INDIA

SUMMARY

- The Indian Textile industry is one of the largest in the world with a large raw material base and manufacturing strength across the value chain
- India is the largest producer and the second largest exporter of cotton in the world. India is also the leading consumer of cotton.
- At 50% of world production, India is the largest producer of raw jute and jute goods in the world
- India is also the second largest producer of silk in the world
- The Mill sector, with 3,400 textile mills having installed capacity of more than 50 million spindles and 842,000 rotors is the second largest in the world
- With 45 million people employed directly, the textile sector is one of the largest sources of employment generation in the country
- The Textile sector in India is dominated by women workers, with 70% of the workforce being women.

REASONS TO INVEST

- Market access arrangements with Japan, South Korea, ASEAN, Chile while negotiations with EU, Australia, Regional Comprehensive Economic Partnership (RCEP) countries under process.
- Readily available market which is poised to grow in future with increased penetration of organized retail, favorable demographics, rising income levels and shift in preference for quality and branded products
- Favorable government policies and incentives for manufacturers.
- Abundant availability of raw materials such as cotton, wool, silk, jute and manmade fibres.
- Comparative advantage in terms of skilled manpower and cost of production over major textile producers across globe.
- Focused and favorable policies instituted by the government will give the industry a fillip.

- Presence of entire value chain for textile production beginning from production of natural fibre to the production of yarn, fabric and apparel within the country giving edge over countries like Vietnam, Bangladesh etc.
- Presence of traditional skill sectors i.e. hand loom and handicraft

STATISTICS

- The Textile industry contributes to 7% of industry output in value terms, 2% of India's GDP and to 15% of the Country's export earnings
- India has the largest acreage with 12.2 million hectares under cotton cultivation, which is around 42% of the World area of 29.3 million hectares. Producing an estimated 6.5 million tons during 2017-18

FDI POLICY

- 100% FDI is allowed under the automatic route in the sector

SECTOR POLICY

PROVISIONS OF BUDGET 2018-19

- The allocation to the Ministry of Textiles has increased by 14 per cent to USD 1.1 billion

FINANCIAL SUPPORT

AMENDED TECHNOLOGY UPGRADATION FUND SCHEME

- There is a provision of one-time capital subsidy for eligible benchmarked machinery at the rate of 15% for garmenting and technical textiles segments with a cap of USD 4.6 million and at the rate of 10% for weaving, processing, jute, silk and handloom segments with a cap of USD 3 million. An outlay of USD 2.7 billion has been approved for seven years to meet the committed liabilities of USD 1.9 billion and USD 800 million for new cases under ATUFS.

INTEGRATED SKILL DEVELOPMENT SCHEME

- The Ministry of Textiles is implementing Integrated Processing Development Scheme (IPDS) to enable the textile processing sector in meeting environmental standards through appropriate technology including marine, riverine and Zero Liquid Discharge (ZLD). The Government of India provides financial assistance up to 50 % of project cost for Common Effluent Treatment Plants (CETPs) subject to a ceiling of USD 11.5 million. Ministry has approved 4 projects in Rajasthan and 2 projects in Tamil Nadu.

INFRASTRUCTURE DEVELOPMENT SCHEMES

- Scheme for Integrated Textile Park (SITP)
- Integrated Processing Development Scheme
- Mega Textile Clusters Scheme

INVESTMENT OPPORTUNITIES

- Manmade fibre and filament manufacturing
- Value added and specialty fabrics manufacturing
- Fabric processing set-ups for all kind of natural, synthetic and specialty textiles
- Apparel
- Retail brands

FOREIGN INVESTOR

- Rieter (Switzerland)

- TrUtzschler (Germany)
- Sektas (Turkey)
- Zambiatl (Italy)
- Bilsar (Turkey)
- Monti (Italy)
- CMT (Mauritius)
- E-land (S. Korea)
- Nissinbo (Japan)
- Marubeni (Japan)
- Skaps (USA)
- Ahlstorm (USA)
- Terram (UK)
- Strata Geosystems (USA)
- Marks & Spencer (UK)
- Zara (Spain)
- Mango (Spain)
- Promod (France)
- Benetton (Italy)
- Espirit (USA)
- Levi's (USA)
- Forever 21 (USA)

KEY ACHIVEMENTS

- FDI grew 2.5 times - from USD 0.5 billion (2010-14) to USD 1.5 billion (2014-18)
- 8 Apparel and garment manufacturing centres set up North Eastern Region
- Integrated Textile Office Complex set up at the Indian Institute of Handloom Technology (IIHT) in Varanasi
- India Handloom Brand launched
- Special Textile Package of INR 6000 crore approved, to attract investment of USD 11 billion and create one crore jobs
- 200 new production units have come up in existing textile parks in the last two years generating jobs for 11,000 persons
- 9.5 lakh people trained

Source: <http://www.makeinindia.com/sector/textiles-and-garments>

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward looking statements that involve risks and uncertainties. You should read the chapter titled “*Forward Looking Statements*” beginning on page 14 of this Draft Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “*Risk Factors*” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the sections titled “*Risk Factors*” and “*Financial Statement as Restated*” beginning on pages 21 and 147 respectively.

➤ BUSINESS OVERVIEW

We were established in year 1991 as partnership firm in international exports of scarves and beachwear. Our Company has created a distinct identity of its own in the International business domain and mainly caters to European market i.e. Spain, Germany, France, Netherlands, UK and started selling in US market since 2018 onwards and also entered into the domestic market. Our Company is a manufacturer and exporter in Scarves and Beachwear based in Mumbai, India. Our Company is engaged in manufacturing and marketing of women and mens apparels like scarves, shawls, sarongs, headband & bandanas and Beachwear garments in all qualities like silk, viscose, cotton, polyester & wool and several blends.

From year 2018, our Company entered into manufacturing for several Retail brands in the domestic market by creating new designs as per local market for its main core product scarves. We also entered in the ethnic wear category by developing trendy dupattas at affordable prices catering women who look for fashionable styles at affordable prices.

We are also gearing ourselves for manufacturing and trading of Indian ethnic wears offering wide range of ethnic wears for women. Our Company believes that fashion is for all women and hence, took a challenge to provide the affordable range of fashionable garments to the women in international and domestic market. We have also entered into the Kids segment with our own domestic brand Sand Kastle for Beachwear/Holiday wear garments, and fashion accessories. Our raw material sourcing is from all over India thus sourcing provides a huge variety of fabrics and trims at best possible prices thus keeping our costs low. We use modern machinery for our manufacturing requirements, our Company has never shied away from purchasing any modern equipment to maintain the high standards that we have set for ourselves. This enables us to reduce the time spent in completing your order. With our own design team, we have endeavoured to introduce new styles, fits, finishes. We have clean in house production facilities like sewing, cutting, ironing, finishing, quality control, packing & dispatch.

A major portion of our product is manufactured at our in-house factory at Virar (Palghar). We manufacture products on make to order basis as per current fashion forecast for several big brands in International & domestic markets. We serve our customers through the channels of wholesale, retail and e-commerce in domestic market. We are also registered as member exporter with Apparel Export Promotion Council.

We offer an extensive range of designs, colours, styles and patterns of Indian ethnic wears offering wide range of ethnic wears like Salwar Kameez & dupattas, best suited for every occasion. With large number of different colours and styles, customers have a good number of options. Right from the initial stage that involves the client preferences to constructing the most desirable Collections, we ensure complete satisfaction to our client. We not only develop styles as per international trends, but we also appreciate the needs of each customer and hence we develop sample collections for customers according to their needs. We make the garments according to customer’s preferences and demand.

Our Company is being promoted by Mr. Shrawankumar Sadh who have experience of over 30 years of experience in textile industry and Mr. Hitesh Shrawankumar Sadh having over 15 years of experience in textile industry. Their industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our

geographical and customer presence in existing as well as target markets, while exploring new growth avenues in future. we don't just sell products, we offer a complete service, a solution to all their needs, whether for woven scarves, shawls, sarongs, headband & bandanas, Beachwear garments in all fabric qualities like silk, viscose, cotton, polyester & wool and several blends.

We have also entered into new apparel segment with Kids wear products. Our focus is on maintaining relationship with big brands to get orders at large scale to increase our business and revenue. Our production is on make to order basis. We facilitate our clients with accessories/trims/packing as per their requirement which include labels, tags, poly bags, cartons in qualities, sizes & colours as per the requirement & their specification manuals.

Quality is of the paramount importance as it can essentially make or break a brand. A failure to maintain quality standard can prove to be extremely detrimental to the business of our Company. We give quality utmost priority at all stages of production to ensure our customers are thoroughly satisfied. We have three levels of quality checks in place to make sure that the requisite quality of the product is being achieved at every stage of manufacture from raw materials to boxed stock. We constantly endeavour to maintain and exceed customer expectations consistently in all aspects of quality. Every order goes through careful quality inspection by our qualified checkers during every stage of production until final dispatch. We believe our company's edge over its competitors is the value-price relationship, Superior Design collection, timely delivery and efficient supply chain. We are synonymous with providing an all encompassing service i.e. Sourcing, Quality, Value and Reliability of supply as required by the client. Our system incorporating numerous and varied suppliers give us that edge to stay one-step ahead of our competitors in today's rapidly moving business market. We strive to offer flexibility which suits your individual clients needs. Customer satisfaction is top priority with company as we believe in maintaining a regular client base which is proof that our clients are issuing repeat orders and therefore are very satisfied with our service.

We were established with a clear horizon and passion of serving the fashion industry. We firmly believe in customer offering, customer centric approach, standard product quality, ethical business practices with social compliance and corporate governance.

Our company is equipped with a dedicated team of creative people (Fashion designers, Fashion Technologists, CAD Designers, Sketch and Paint Artists, and Stylists) involved in fashion forecasting styles, patterns, fits and finishes to meet the latest fashion trends.

Our capabilities have made us confident of efficiently fulfilling customers' requirements around the globe and set milestones in the global market. We thus invite new business ventures and bulk orders and assure long lasting business relations with the commitment of timely delivery of orders.

Over the course of 3 years our total Revenue was Rs. 888.28 Lakhs in 2016, Rs. 805.87 Lakhs in 2017, Rs. 844.24 Lakhs in 2018. PAT is Rs. 14.61 Lakhs in 2016, Rs.48.31 Lakhs in 2017, Rs. 237.32 Lakhs in 2018. For further details, please refer chapter titled Financial Statements as restated on Page no.147 of this Draft Prospectus.

➤ OUR LOCATIONS

A detail of our locations is as follows:

| | |
|--|--|
| Registered Office | 78, Ground floor A-2, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai-400013, Maharashtra, India |
| Corporate office & showroom | 79/178, Ground floor/1 st floor, A-2,Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai- 400013, Maharashtra, India |
| Factory & Warehouse | Building 68, HDIL Industrial Park, Chandansar road, Virar East-401303, Vasai, Palghar Maharashtra, India |
| | Gala No. 205/206, Second Floor, Meghdoot Industrial Estate, HDIL Industrial Park, Chandansar, Virar East- 401303, Vasai, Palghar Maharashtra, India |

➤ OUR BUSINESS STRENGTH



OUR STRENGTH

1. *Rich management experience and skilled team*

We have a strong management team with many years of hands on experience in our industry. We have rich workforce of skilled craftsmen, trained labour, and efficient management and a production unit equipped and expertise with the best employee that has led the organization on the path to success. We have an in-house design team that constantly tries to predict new trends and fashion with rich experience of our Promoters. Their industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues in future. In a season, the team works on over many designs, out of which a few are picked up to constitute the new season collection. We have also created a highly empowered team with industry specific knowledge in activities like cutting, stitching, washing and finishing for carrying out the day to day operations of our Company. Our core competency lies in our manufacturing and design skills. Right from designing to sourcing of raw material to manufacturing of our product is carried out in-house. We believe that this has helped us in achieving optimal capacity utilization and at the same time keeping our costs low which eventually helps us in maintaining healthy margins.

2. *Quality policy*

Total customer satisfaction is always the guiding principle in providing an innovative Ready-made garment & accessories range to our valued worldwide customers with a focus on product excellence. We ensure this by

- Implementing and continually improving our Quality management systems
- Adhere to Time lines and Schedules
- Being Cost Competitive
- Enabling Teamwork within the Organization
- Doing things right the first time and every time

3. *Existing relationship with suppliers and our efficient supply chain*

We believe that our strong relationships with suppliers will enable us to continue to grow our business. Due to our relationships with our suppliers, we get quality and timely supplies of fabric. This enables us to manage our inventories and supply quality products on timely basis to our customers. This in turn has enabled us to generate repeat business. We procure our raw material from manufacturers and authorized distributors appointed by the manufacturers based on our requirement. We analyze the production requirement and based on which we place orders to our suppliers. This helps us in minimizing our inventory of raw materials. A Large portion of our production is sold directly to the big retail brands in domestic and International markets. This helps us in controlling the inventory and production process.

4. *Customer Centric Business Model*

Our Company focuses on attaining highest level of customer satisfaction. Understanding the consumer is one of the most important skills required to be successful in this business. Our promoters have over 30 years of experience in this field. We believe this helps us in understanding the consumer psyche and predicting future trends better. The progress achieved by us is largely due to our ability to address and exceed customer satisfaction. Our company always believed in assessing the changing customer preferences from time to time and redesigning our products accordingly by continuously exploring new types of trends.

➤ OUR BUSINESS STRATEGY



The following are the key strategies of our Company for our Business:

Expanding Our Clientele Network by Geographic expansion:

We believe that our growth in other countries can fetch us new business expansion and opportunities. We are currently supplying to several clients in Domestic and international. Our emphasis is on scaling of our operations in other markets shall provide us with attractive opportunities to grow our client base and revenues.

Reduction of operational costs and achieving efficiency:

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

Focus on cordial relationship:

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

Creativity and trending designer idea:

Our Company has always been driven by the quest to develop a new trend and constantly strives to develop better products which appeal to our constantly growing customer base. Also our Company provides the creative and trending designer outfit for women to attract our customers and dealers. Our Company's forte lies in its ability to translate its vision into realities using, technology and personnel who successfully supervise each new venture undertaken.

Entering new business lines:

We are working on entering to new markets in different countries. We are manufacturing products for several International and Domestic brands. We have also entered new apparel segment with Ethnic wear and Kids wear products. Our focus is on maintaining relationship with big brands to get orders at large scale to increase our business and revenue.

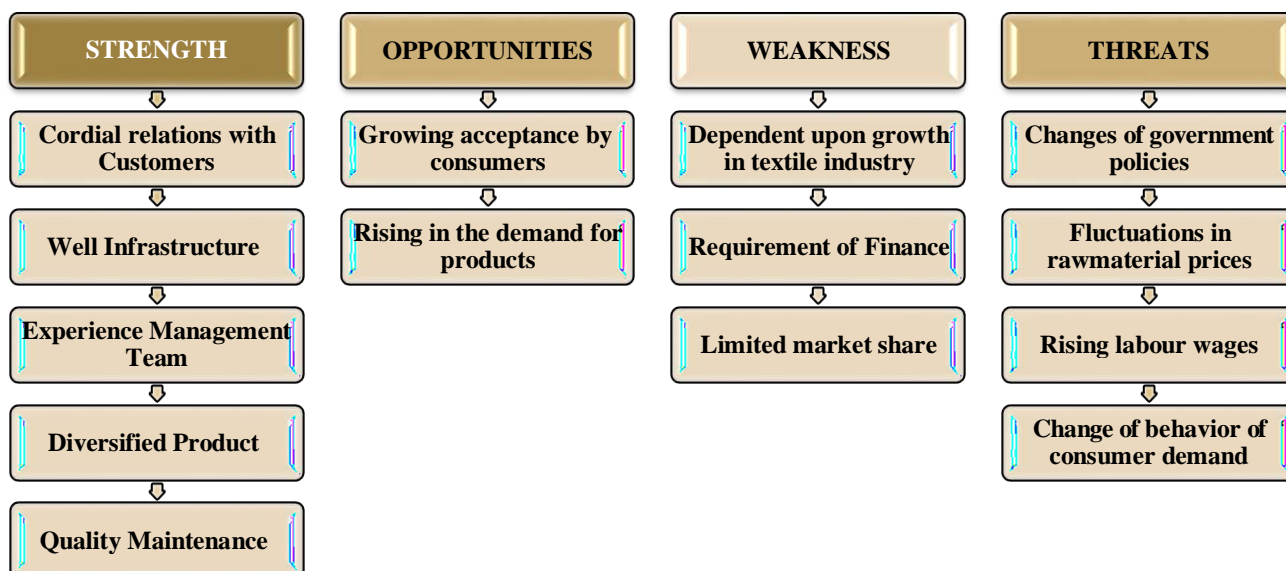
Introduction of more brands:

Presently, we are manufacturing and marketing of our Kids wear, Beach wear/ Holiday wear in the brand name of Sand Kastle. Beachwear garments and accessories in all fabric qualities like silk, viscose, cotton, polyester & wool and several blends. Considering demand we may introduce new brands in other categories as well.

To follow inorganic growth opportunities:

To upgrade and enhance our manufacturing and marketing capabilities we may acquire units/undertakings manufacturing woven or knitted apparels in the segment we have recently entered. We also may acquire brands having ready presence in women's ethnic wear and kids wear.

SWOT ANALYSIS:

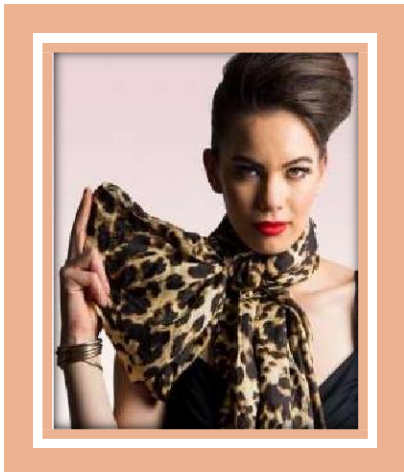


OUR PRODUCT PORTFOLIO

- Our Company is mainly engaged in manufacturing of diverse range of Scarves, Shawls, Pareos, duppats, Kids wear, Beachwear Garments, Fashion Accessories tunics for International and Indian market with the variety of fabrics like polyester, Silk, Cotton, Viscose Wool, Different blends and weaves. We also develop fabrics as per customers' requirement.
 - These garments are made using printed fabric, solid dyed fabrics and yarn. Most of the garments are supplied with extensive value addition involving embroidery, hand embroidery and hand work including beads, sequences. Latest trend, fashion and lifestyle are having an impact while designing our product range.
- Our Product portfolio consists mainly of the following:
- ❖ **Primary Product:**
 1. Scarves, Shawls, Pareos
 2. Ethnic Dupattas
 3. Kids wear
 4. Beach wear Garments
 5. Fashion Accessories

1. Scarves, Shawls and Pareos:

We manufacture Scarves, Shawls and Pareos made in different lengths and widths being sold in international and domestic market. These fabrics are manufactured in different widths. These fabrics are made in different thread counts and constructions. Fabric produced are plain weaves, dobbies & jacquard. Printing process are on Table screen printing, flatbed & rotary machines. Several products are made yarn dyed in dobby & jacquard weaves in handlooms & power looms. To add styling we do fringing, tie and dye, lace & embroidery work to make it more mass appealing.



Scarves

shawls

Pareos

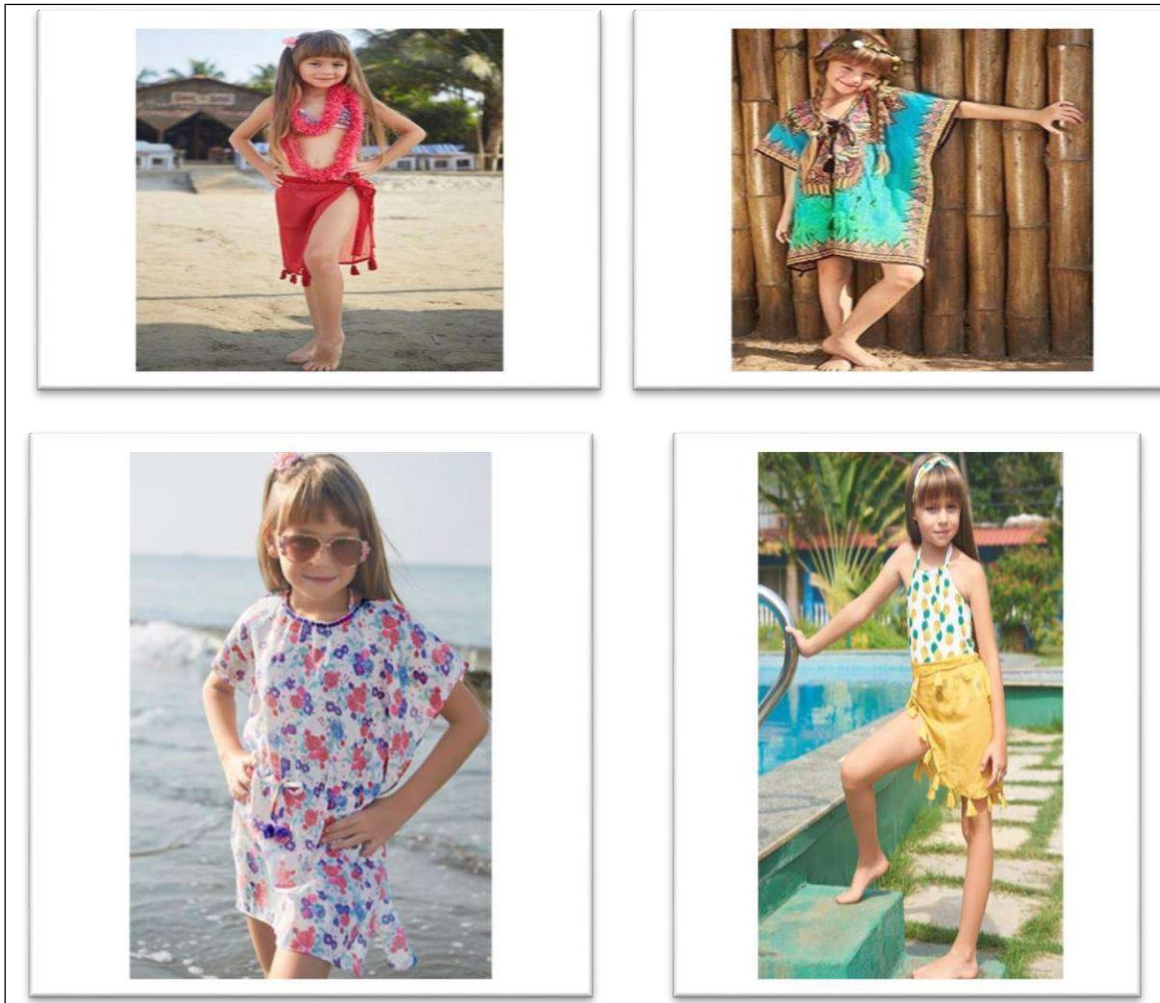
2. Ethnic Dupattas:

We are also engaged in the manufacturing of women ethnic dupattas. We use Cotton, Polyester, Nylon, Silk and various blended fabrics for manufacturing these dupattas. These are made using methods of printing, dyeing of plain, dobby and jacquards Fabrics. Most of the development are done keeping in mind latest prints & colours as per fashion forecast. Latest trend, fashion and lifestyle as they are of huge emphasis in achieving the correct Styling.



3. Kids wear:

There is a huge demand for Holiday/beachwear in the kids sections in the domestic market. We manufacture kids beachwear in our own domestic brand Sand Kastle. These are designed keeping in the young girls in mind using special fabrics prints & collection for our little prince and princesses. We also export bulk quantities of beachwear for our International customers in bulk quantities.



4. Beach wear Garments:

We manufacture beachwear/ holiday wear garments for ladies in various soft & flowy fabrics in prints/solids/embroidered in plain & dobby weaves. The fabrics used for manufacturing these beachwear garments are in Cotton polyester, silk, viscose and their blends. These are made in sizes as per customer requests. There is big demand for these items in International markets. We design tropical island clothing, resort wear, cover up beach dresses, etc., which are printed and styled on fabrics such as, cottons, silks, rayon, polyesters, and any other fabrics of our clients' choice.



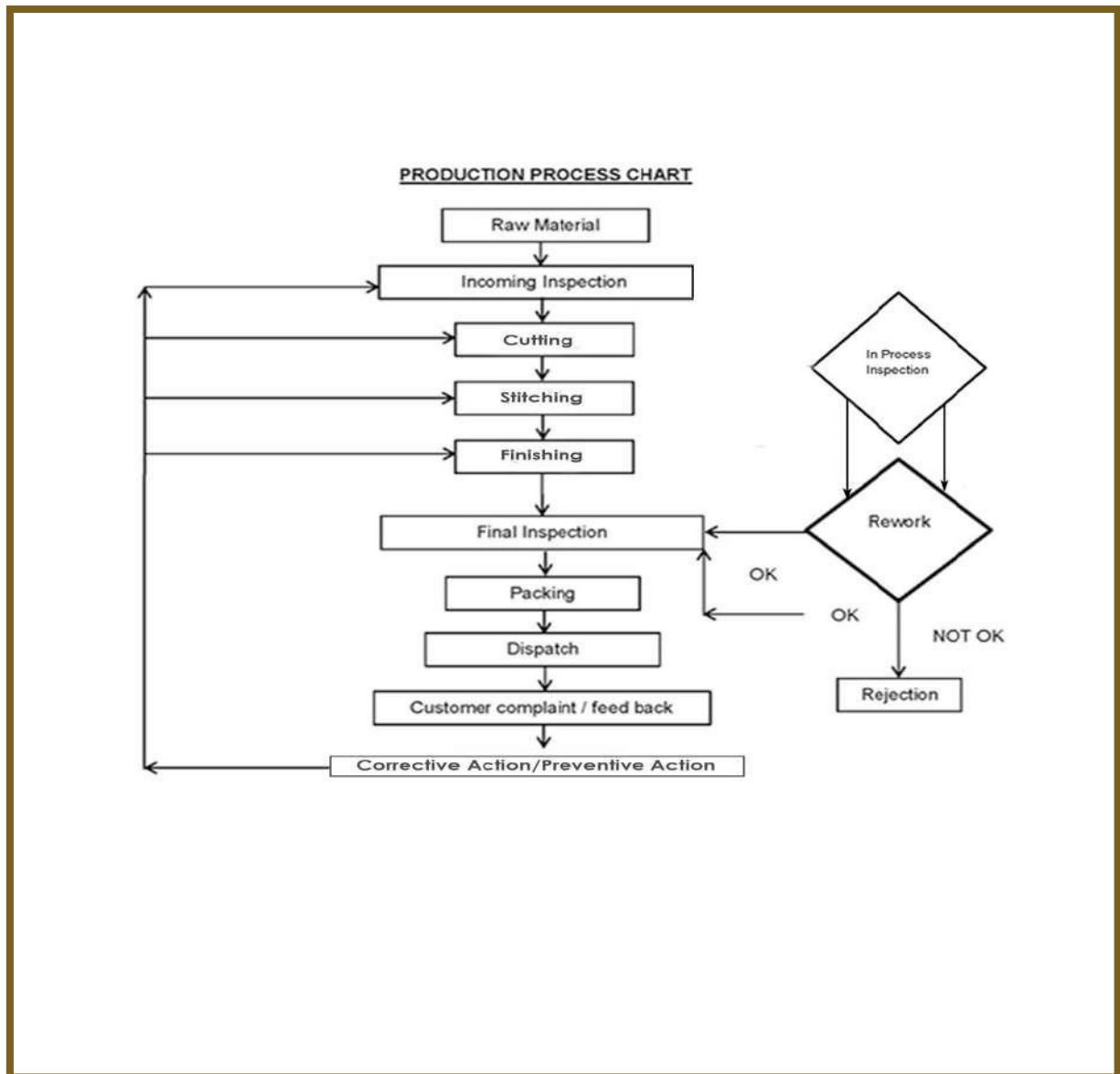
5. Fashion Accessories:

Apart from our usual range of scarves & garments we make accessories which are in tune & as per requirement of the current fashion. We make Headscarves, bandanas, belts & bags as per customer requirements.



MANUFACTURING PROCESS

The below mentioned flowchart reflects our in house manufacturing process.



We place orders for our raw material requirements, which comprise of Griège and finished fabric, accessories such as fasteners, buttons, labels, laces and other consumables. We purchase the finished fabric and other raw materials from variety of suppliers. On receipt of the fabric and raw materials, our quality assurance team conducts a preproduction inspection. On approval of the quality assurance team, our manufacturing facility commences production, which involves cutting, sewing, finishing, and ironing. Each stage of production is monitored by our quality assurance team to ensure conformity with our strict quality, cost and delivery requirements. Cutting of the fabric requires a high level of precision. To ensure minimum wastage, automated cutting tools are used for pattern grading and marker making. We perform a range of value additions to our garments like embroidery, laces & fringes using local specialization. We also do proper thread cutting, steam pressing, accessories, label, tag attachment and folding prior to packaging and delivery to customers.

The stitching process comprises of different stitching machines, each for a specific purpose. We perform a range of value additions to our garments like embroidery, laces & fringes using local specialization. We also perform using specialized equipment including thread cutting, ironing, steam pressing, collar pressing, accessories attachment and folding prior to packaging and delivery to customers.

There are different stages that are involved in our manufacturing process, each stage is critical and of utmost importance for the product to have its quality and standard. So each stage of the manufacturing process of our company is well planned and executed.

The manufacturing process for product in stage wise is as below:

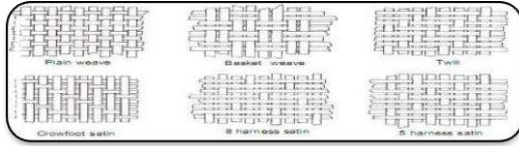
1. **RAW MATERIAL PURCHASED:** The planning of the product is an important role in the manufacturing process, at this stage the amount of product that should be manufacture and the time that must be devoted to each products manufacturing shall be decided. To purchase raw material we buy it only from the specialized source keeping in mind the quality & timely delivery. Raw material is ordered as per order basis only & quantity is ordered as per consumption per pc. Accordingly quantum and type of Raw material required is decided and purchased.
2. **INCOMING INSPECTION:** Once the raw material is been purchased from the market it is necessary to do the quality check. Then we perform quality check on the raw material so that the raw material that goes in the manufacturing process is of good quality and the end product is also of good quality.
3. **CUTTING:** At this stage the fabric is going under the process of cutting. The cutting is made under great supervision so that the quality of fabric is not hampered
4. **STITCHING:** At this stage our Quality team looks into details that the stitching is of the best quality.
5. **FINISHING:** This is the second last stage of the manufacturing process, the finished product which has gone through the entire manufacturing process is now completed, and the finishing of the final product is done now.
6. **FINAL INSPECTION:** Our team of Quality checkers do the final Inspection before dispatch of goods. This is done as per Acceptable Quality Limit (AQL).
7. **PACKAGING:** The final product is ready for packaging. The packaging is done in a safest way so that the product don't get spoiled or damaged in the transit
8. **DISPATCH:** Goods are dispatched to the Sea/Air port for international shipments or to Local customer warehouses in India by road.
9. **CUSTOMER COMPLAINCES/FEEDBACK:** The customer feedback is essential for any business for growth. We provide utmost attention to complains and feedbacks.
10. **WAREHOUSING:** The stock product is now kept in the warehouse, so that the product can be delivered at anytime and anywhere.
11. **MARKETING AND PROMOTION:** Our company has a team who does marketing and promotion activity for our products. At this stage the marketing team put in their effort to successfully display the product across the countries. Marketing is done through Personal customer visits & Exhibitions.

DECIDING ON SEASONS PRODUCTS:

The products are designed according to the seasons and for every season there is a product -- this applies to fashion just as much as anything else in life. Fashion divides itself into seasons which sometimes may be tough to keep up with. Current fashion trends and entertainment industry plays a vital role in deciding the seasons product. The cost of production is derived well in advance in terms of Price Range and Process Time. Normally it takes 60-90 days to complete one whole process of production.

SOURCING ALL MATERIALS, FABRICS AND ACCESSORIES:

Sourcing of materials and fabrics can play a vital role in manufacturing and Process Time. The detailed process is being explained as follows:



At first instance, fabric quality is specifically derived. There are so many different types of fabrics variants to choose from. The best start is to have an idea of some material and feel of sample fabrics you might want to work with before you go into its supplies.



Once the fabrics are finalized then crocky designing starts. Crocky Designing is done by the designing team of our company. For designing extensive research is being done.



After our designing team is ready with the design, patterns are made. Patterns are developed making paper based outlines or design which will be used as a template, laid onto the fabric, traced and cut out.



Several type of accessories are required to enhance the beauty of the product. If our garment requires accessories like embroidery, buttons, Laces,stones etc. are then developed and finalized.

RAW MATERIALS:

The Raw Materials for our company are Grey Fabric, Finished Fabric, Threads, We purchase grey/ finished fabrics in a bulk quantity with our specifications, Inks are used for digital printing, Threads are used for various purposes like embroidery, stitching, and value additions..

PRODUCT SAMPLING:

Once the samples are completed, they are reviewed by the team. Everything from the feel and fit of the fabric i.e. whether if it fit right and feel of fabric – its design looks small or large. etc is taken care of and if not, we might need to change the fabric, value additions & Other Combinations of works and choice of the designing or the pattern. Sampling is back and forth process, there may come possibility of alterations. Catalogue management team finalizes the designs and its colour variants to create a catalogue and further it is handed over to production team for its further planning. The samples are sent to customers for bulk production approval. Once we receive approval it is given ok for bulk production.

PRODUCTION:



Our production is on Make to Order basis. We facilitate our clients with accessories/trims/packing as per their requirement which include labels, tags, polybags, cartons in qualities, sizes & colours as per the requirement & their specification manuals. We have clean in- house production facilities like

sewing, cutting, ironing, finishing, quality control, packing & dispatch. Every order goes through careful quality inspection by our qualified checkers during every stage of production until final dispatch. Our Company's edge over its competitors the value-price relationship, Superior Design collection, timely delivery and efficient supply chain our factory is socially compliant & with BSCI certification.

PACKAGING AND DISPATCH:

The Packaging requirement is specified by the customers. Appropriate packaging quality is used as per the International standards to deliver the products safely to the end user with the quality standards. Our company have an internal Warehouse where the stock is being stored. Economic order quantity is being taken care as per, it is being done in a shortest period of time. We do a fast fashion producing manufacturing.

CAPACITY AND CAPACITY UTILIZATION:

| Name of Product | Year 2018 | | | Year 2017 | | | Year 2016 | | |
|-----------------|--------------------|-------------------|------------------------|--------------------|-------------------|------------------------|--------------------|-------------------|------------------------|
| | Capacity Installed | Capacity Utilised | % of Capacity Utilised | Capacity Installed | Capacity Utilised | % of Capacity Utilised | Capacity Installed | Capacity Utilised | % of Capacity Utilised |
| SCARF (PCS) | 10,00,000 | 7,00,000 | 75% | 10,00,000 | 6,50,000 | 69% | 10,00,000 | 7,00,000 | 75% |
| | | | | | | | | | |
| GARMENTS (PCS) | | 50,000 | | | 40,000 | | | 50,000 | |

➤ **PLANT AND MACHINERY**

We have large numbers of various garment single needle & over lock sewing machines and other sewing related machines which has been **used for our production process.**

E-COMMERCE AGREEMENTS/ FRANCHISEE AGREEMENTS:

Our Company is selling Kids beachwear garments and accessories online for e-retailing our products in our brand name Sandkastle. We also sell through exhibitions. As on the date we do not have any franchisee. We have not entered in to any concession agreements.

MARKETING SELLING AND DISTRIBUTION STRATEGY:

Our company has a good customer base who are working with us from several years. To grow business with them we continuously develop new designs & samples. These are presented to them during meetings in our showroom or customer offices in India & abroad.

To develop more customers our marketing teams is targeting chain stores in India & in International markets. We contact Customer through E-mail, Social media (Instagram, Facebook, Twitter). Our marketing team will develop a separate marketing and distribution strategy for each of our products and engage in several marketing and promotional activities like exhibitions in India & international markets to promote our business and increase our sales volumes.

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

Marketing Strategy:

We intend to focus on following marketing strategies:

1. Exploring new dealers network to maximize the retail strength
2. Focus on existing markets and increasing our customer base
3. Emphasizing on providing Value Added Services.
4. Continuously follow & hold Markets Trends.

OUR PRODUCTS:



Our products are classified keeping in mind needs of customers and according to the seasons, which brings comfort to the women.

EXPORT OBLIGATION

As on the date of filing of this Draft Prospectus, the export obligations on our Company are as follows:

NIL

UTILITIES & INFRASTRUCTURE FACILITIES

Infrastructure:

- To produce quality goods and that too on time, we need a good production facility, capable of taking on any challenge thrown at oneself. We believe our Company possesses probably the adequate infrastructure that has the ability and potential to give you quality products. This includes workforce of skilled craftsmen, trained labour, an efficient management and a production unit equipped with expertise of the employees has led the organization on the path to success.
- Our manufacturing facilitates all the processes involved in garment manufacture under one roof. This enables us to reduce the time spent in completing clients order. All our machines are the latest available in the business and whenever required, Our Company has never shied away from purchasing any modern equipment to maintain the high standards that we have set for ourselves.

➤ Power:

The power is used in our manufacturing unit to operate machines, lighting, air conditioning and other electrical equipment's. It is met through the local power distribution company where the units are located and we also used diesel generators to meet exigencies to ensure that our facilities are operational during power failures.

➤ Water:

We source our water requirements from water supplied by local authorities.

Safety Precautions:

We have the sufficient safety equipment's in our working places. There are online fire detection system, water tank and fire extinguishers available.

COMPETITION

We operate in the business which faces intense competition from established as well as unorganized players. Our competition depends on several factors which includes quality, price and most importantly to upgrade with the latest trend to reap optimum sales.

We believe that we operate a comprehensive business model encompassing scarves & beachwear. We operate in unrecognized highly competitive market. Even with a diversified product portfolio and quality approach we have to face intense competitive pressures.

Our competition varies for our products and regions. We compete with other manufacturers on the basis of product range, product quality, and product price including factors, based on reputation, regional needs, and customer convenience. While these factors are key parameters in client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals.

HUMAN RESOURCE:

We believe that our employees are key contributors to the success of our business. We in our company always take care of our employees with a feeling that they are part of a family. This attribute helps employees with a sense of brotherhood for the management which ultimately produces exemplary results for the entire organization. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled, semi-skilled and unskilled resources together with our management team have enabled us to implement our growth plans.

The list of employees is as follows:

| Department | No of Employees |
|-----------------------------|-----------------|
| OFFICE STAFF | |
| MANAGING DIRECTOR/ DIRECTOR | 2 |
| MERCHANDISING DEPT | 4 |
| KMP's | 2 |
| ACCOUNTS DOCUMENTATION | 2 |
| SAMPLING DEPT | 6 |
| OTHERS | 2 |
| Department | No of Employees |
| FACTORY STAFF | |
| FACTORY MANAGER/FIRST AIDER | 1 |
| STICHING DEPT | 9 |
| PRODUCTION & PACKING DEPT | 22 |
| OTHERS | 2 |

INSURANCE

The following are the details of the standard fire and special perils policy obtained by our Company:

| Sl. No. | Policy No. | Name of the Insured | Description of the Assets Insured / Risk covered | Address of the Properties where the insured assets are situated | Sum Assured (Rs.) | Date of Expiry | Premium p.a. (Rs.) |
|---------|---------------------------|-----------------------------|---|--|-------------------|------------------|--------------------|
| 1. | 1001/1640939 91/00/000 | SK International Export Ltd | Standard Fire and Special Peril and add on covers Earthquake* | BTS 68, HDIL Industrial Park, Chandansar, Virar East-401305 Palghar Maharashtra, India | 86,00,000 | January 29, 2020 | 18,773.80 |
| 2. | 1001/1640941 87/00/000 | SK International Export Ltd | Standard Fire and Special Peril and add on covers Earthquake* | 205, 206, 207 Meghdoot Industrial Estate, 2 nd floor HDIL Industrial Park Chandansar, Virar East-401305 Palghar | 71,00,000 | January 29, 2020 | 15,499.30 |

| | | | | | | | |
|----|---------------------------|-----------------------------------|---|---|-----------|---------------------|---------|
| | | | | Maharashtra, India | | | |
| 3. | 1001/1640848 24/00/000 | SK International Export Ltd | Standard Fire and Special Peril and add on covers Earthquake* | A-2 Unit No 78,79, 178 Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai-400013 Maharashtra, India | 57,00,000 | January 29, 2020 | 4035.60 |

1. Description of the Assets Insured

| Sr. No | Sum Insured Component | Sum Insured (In ₹) |
|--------|---|--------------------|
| 1 | Building (without Plinth & Foundation) | 20,00,000 |
| 2 | Plant & Machinery | 4,00,000 |
| 3 | Furniture, Fixtures and Fittings | 2,00,000 |
| 4 | Electrical Fittings | 7,00,000 |
| 5 | Computers, Printers and Accessories | 3,00,000 |
| 6 | Finished Goods | 50,00,000 |
| | Total Sum Insured without Plinths & Foundation | 86,00,000 |

2. Description of the Assets Insured

| Sr. No | Sum Insured Component | Sum Insured (In ₹) |
|--------|---|--------------------|
| 1 | Building (without Plinth & Foundation) | 10,00,000 |
| 2 | Plant & Machinery | 5,00,000 |
| 3 | Furniture, Fixtures and Fittings | 3,00,000 |
| 4 | Electrical Fittings | 3,00,000 |
| 5 | Computers, Printers and Accessories | 3,00,000 |
| 6 | Finished Goods | 50,00,000 |
| | Total Sum Insured without Plinths & Foundation | 71,00,000 |

3. Description of the Assets Insured

| Sr. No | Sum Insured Component | Sum Insured (In ₹) |
|--------|---|--------------------|
| 1 | Plant & Machinery | 2,00,000 |
| 2 | Furniture, Fixtures and Fittings | 15,00,000 |
| 3 | Electrical Fittings | 5,00,000 |
| 4 | Computers, Printers and Accessories | 15,00,000 |
| 5 | Finished Goods | 20,00,000 |
| | Total Sum Insured without Plinths & Foundation | 57,00,000 |

LAND & PROPERTIES

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

| Sl. No | Location of the Property | Date of Agreement | Purpose | Licensor | Rent/ License Fee (in ₹) per month | Lease/License period | |
|--------|--|-------------------|--------------------------------|-------------------|---|----------------------|-------------------|
| | | | | | | From | To |
| 1 | Unit No A-2/79, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai-400013 Maharashtra, India | February 08, 2019 | Corporate Office and show room | Shrawankumar Sadh | 70,000/-* | December 04, 2018 | December 03, 2023 |
| 2 | Unit No A-2/178, Shah & Nahar | February | Corporate Office and | Hitesh Sadh | 50,000/-# | December | December 03, 2023 |


| | | | | | | | |
|---|---|-------------------|----------|-----------------------------------|------------|-------------------|-------------------|
| | Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai-400013 Maharashtra, India | 08, 2019 | showroom | | | 04, 2018 | |
| 3 | BTS 68, S. K. International, HDIL Industrial Park, Chandansar, Virar East-401305 Maharashtra, India | February 08, 2019 | Factory | Shrawankumar Sadh and Hitesh Sadh | 50,000/-** | December 04, 2018 | December 03, 2023 |

Properties owned by our Company:

| Sr. No. | Details of the Properties | Purpose |
|---------|---|-------------------|
| 1. | 78, Ground floor A-2, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai-400013, Maharashtra, India | Registered Office |
| 2. | 17, Ground Floor, A-1 Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai-400013 | Given on lease |
| 3. | Gala No. 205/206, Second Floor, Meghdoot Industrial Estate, HDIL Industrial Park, Chandansar, Virar East – 401303, Vasai, Palghar, Maharashtra, India | Warehouse |

INTELLECTUAL PROPERTY

We have applied for registration of our logo under the Trademark Act 1999. The status of the application is as under:

| Sl. No. | Logo | Date of Application / Approval date | Application No. / Trademark No. | Class | Current Status |
|---------|---|-------------------------------------|---------------------------------|-------|----------------|
| 1 |  | March 14, 2018 | 3777441 | 25 | Objected |
| 2 |  | December 19, 2018 | 4031434 | 25 | Objected |

Awards & Acheivements

Collabration

We have not entered into any technical or other collaboration till date for any of our business segments.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations as prescribed by the Government of India or State Governments which are applicable to our Company. The information detailed in this section has been obtained from publications available in the public domain. The regulations and descriptions thereof, as set out below, may not be exhaustive, and are only intended to provide general information to the buyers and is neither designed nor intended to be a substitute for professional legal advice. Further, interpretations of the regulations are subject to legislative, judicial and administrative decisions.

INDUSTRY SPECIFIC REGULATIONS

National Textile Policy, 2000 (NTxP -- 2000) (the “NT Policy”)

The objectives of NT Policy *inter-alia* are to facilitate the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing, equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market, liberalize controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment, enable the textile industry to build world class state-of-the-art manufacturing capabilities in conformity with environmental standards, and for this purpose to encourage both Foreign Direct Investment as well as research and development in the textile sector, develop a strong multi-fiber base with thrust of product upgradation and diversification, sustain and strengthen the traditional knowledge, skills and capabilities of our weavers and craftspeople, enrich human resource skills and capabilities, with special emphasis on those working in the decentralized sectors of the textile industry and for this purpose to revitalize the Institutional structure.

Textile (Development and Regulation) Order, 2001(the “Textile Order”)

The Textile Order was brought into force by the Central Government under section 3 of the Essential Commodities Act, 1995 and repealed the Textile (Development and Regulation) Order, 1993. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner.

The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade and Merchandise Marks Act, 1958, except under and limited to the extent of specific authorization by the holder of or application for such brand or trade name.

Textile Committee Act, 1963 (the “Textile Committee Act”) read with Textiles Committee (Cess) Rules, 1975 (the “Textile Committee Rules”)

The Textile Committee Act provides for the establishment of a Committee to be known as the Textiles Committee. The functions of the committee are to ensure by such measures, as it thinks fit, standard qualities of textiles both for internal marketing and export purposes and the manufacture and use of standard type of textile machinery. The committee may undertake, assist and encourage, scientific, technological and economic research in textile industry and textile machinery; promote export of textiles and textile machinery; establish or adopt or recognize standard specifications for textiles and packing materials used in the packing of textiles or textile machinery, export and for internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials.

As per Section 5A of the Textile Committee Act, there shall be levied and collected a cess a duty of excise on all textiles and on all textile’s machinery manufactured in India. The Textile Committee Rules provides that every manufacturer shall furnish to the Textile Committee in duplicate, a return in Form A or in Form B, as the case may be, for each month duly signed by him or any other person authorized by him in this behalf. Also, any amount of cess paid in excess of the cess payable shall, on an application made by the manufacturer to the Textile Committee within a period of one year from the date of such payment, be refunded to him.

Amended Technology Up gradation Fund Scheme (ATUFS)

Amended Technology Up gradation Fund Scheme (ATUFS) provides for promotion of ease of doing business in the country and achieve the vision of generating employment and promoting exports through “Make in India” with “Zero effect and Zero defect” in manufacturing by providing capital linked Capital Investment Subsidy (CIS) under ATUFS.

The ATUFS also facilitates augmenting of investment, productivity, quality, employment exports along with import substitution in the textile industry.

Textile (Development and Regulation) Order, 2001 (the “Textile Order”)

The Textile Order was brought into force by the Central Government under section 3 of the Essential Commodities Act, 1995. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner. The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade and Merchandise Marks Act, 1958, except under and limited to the extent of specific authorization by the holder of or application for such brand or trade name.

LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED

The Bombay Shops and Establishments Act, 1948 (“The Bombay Shops Act”)

The Bombay Shops Act regulates the conditions of work and employment in shops and commercial establishments and generally prescribes obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Maharashtra Contract Labour (Regulation and Abolition) Central Rules, 1971

Maharashtra Contract Labour (Regulation and Abolition) Rules, 1971 (the “Contract Labour Rules”) is applicable to the establishments where fifty (50) or more people work on contract basis. requires the contractor to establish canteens, rest rooms, drinking water, washing facilities, first aid facilities, and other facilities. Where the employment of any worker is terminated by or on behalf of the contractor, the wages earned by the worker shall be paid before the expiry of the second working day from the day on which his employment is terminated. Every employer shall maintain register of contractors and register of persons employed. The contractor is also required to issue an employment card to the employee and issue service certificate to the employee when he is terminated by the contractor for whatsoever reasons.

Maharashtra Fire Prevention & Life Safety Measure Act, 2006 (the “Act”) and the Maharashtra Fire Prevention and Life Safety Measures Rules, 2009 (the “Rules”)

The Maharashtra Fire Prevention & Life Safety Measure Act, 2006 and the Maharashtra Fire Prevention and Life Safety Measures Rules, 2009 provide for more effective provisions for the fire prevention and life safety measures in various types of buildings in different areas in the State of Maharashtra. The Act and the Rules provide that the owner or occupier shall provide for minimum firefighting installations as specified, fire prevention and life safety measures. Further, the owner or the occupier, as the case may be, shall maintain the fire prevention and life safety measures in good repair and efficient condition at all times, in accordance with the provisions of the Act or the Rules.

Maharashtra State Tax on Profession, Trades, Callings and Employment Rules, 1975

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

Bombay Stamp Act, 1958 (the Stamp Act)

The purpose of the Stamp Act was to streamline and simplify transactions of immovable properties and securities by the State government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act.

LAWS RELATED TO ENVIRONMENTAL LAWS

National Environmental Policy, 2006

The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

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

EPA provides for the prevention, control and abatement of pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 as amended (“Hazardous Wastes Rules”)

The Hazardous Wastes Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state pollution control board for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste. The Environmental Impact Assessment Notification dated September 14, 2006 read with notifications dated October 11, 2007, December 1, 2009, April 4, 2011 and January 25, 2012, issued under the Environment Protection Act and the Environment (Protection) Rules, 1986, requires prior environmental clearance of the Ministry.

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

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

Water (Prevention and Control of Pollution) Act, 1974

The Water Act was enacted in 1974 in order to provide for the prevention and control of water pollution by factories and manufacturing industries and for maintaining or restoring the wholesomeness of water. In respect to an Industrial Undertaking it applies to the (i) Occupier (the owner and management of the undertaking) (ii) Outlet (iii) Pollution and (iv) Trade effluents. The Act requires that approvals be obtained from the corresponding Pollution Control Boards in the state.

Water (Prevention and Control of Pollution) Cess Act, 1971

The Water (Prevention and Control of Pollution) Cess Act, 1971 provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

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

With a view to ensuring that the standards for emission of air pollutants are complied with, the State Government shall, in consultation with the State Board, give such instructions as may be deemed necessary to the concerned authority and such authority shall, notwithstanding anything contained in that Act or the rules made thereunder be bound to comply with such instructions.

TAX RELATED REGULATIONS

Income Tax Act, 1961

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

Central Goods and Service Tax Act, 2017

Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2016, following the passage of Constitution 101st Amendment Bill. The GST is governed by GST Council and its Chairman is Union Finance Minister of India - Arun Jaitley. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services as part of their normal commercial activity. Administrative responsibility would generally rest with a single authority to levy tax on goods and services. Exports would be considered as zero-rated supply and imports would be levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which will not be subsumed in the GST.

Introduction of Goods and Services Tax (GST) is a significant step in the reform of indirect taxation in India. Amalgamating several Central and State taxes into a single tax would mitigate cascading or double taxation, facilitating a common national market. The simplicity of the tax should lead to easier administration and enforcement. From the consumer point of view, the biggest advantage would be in terms of a reduction in the overall tax burden on goods, which is currently estimated at 25%-30%, free movement of goods from one state to another without stopping at state borders for hours for payment of state tax or entry tax and reduction in paperwork to a large extent.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise and Customs under the Ministry of Finance

OTHER GENERAL REGULATIONS

Micro, Small and Medium Enterprises Development Act, 2006

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

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

The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council ('Council'). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

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

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional.

The Companies Act, 2013

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder.

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services. 100 % FDI is permitted on the Indian Textile industry under the automatic route.

Foreign Trade (Development and Regulation) Act, 1992

The Foreign Trade (Development and Regulation) Act, 1992 provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from India and for matters connected therewith or incidental thereto. Section 7 of the Foreign Trade (Development and Regulation) Act, 1992, imposes an obligation on an Importer or Exporter to register under the Act and opt for Importer Exporter Code number issued by Director General of Foreign Trade or the officer authorized by the Director General.

Registration Act, 1908

The Registration Act, 1908 (“Registration Act”) was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

Motor Vehicles Act, 1988, as amended (“MV Act”)

The “MV Act” was enacted to ensure road safety and accordingly lays down norms for safety including speed limits and traffic regulations and empowers the state or the central government or any authority, constituted under the MV Act to make rules in accordance with the MV Act and to restrict the use of vehicles in the interest of public safety or convenience. The MV Act requires every vehicle to be registered and insured and for every person driving a motor vehicle to obtain a license from the appropriate licensing authority.

Central Motor Vehicle Rules, 1989 (“CMV Rules”)

The CMV Rules prescribe the procedure for grant of registration to motor vehicles and the requirements pertaining to registration numbers for vehicles. Driving when disqualified, driving dangerously or driving under the influence of drinks or drugs, altering a license and commission of any other offence punishable with imprisonment using a motor vehicle is deemed to be an offence under the MV Act.

Competition Act, 2002

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act, 2002. The provisions of the Competition Act relating to combinations were notified on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

Negotiable Instruments Act, 1881 (“NI Act”)

The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honored by their bankers and returned unpaid.

Consumer Protection Act, 1986

The Consumer Protection Act, 1986 seeks to provide better protection of interests of the consumers and for that purpose to make provision for establishment of consumer councils and other authorities for the settlement of consumer’s disputes and for matters connected therewith. It seeks to promote and protect the rights of consumers.

To provide steady and simple redressal to consumers’ disputes, quasi-judicial machinery is sought to be set up at the district, state and central levels. The quasi-judicial bodies will observe the principles of natural justices and have been empowered to give relieves of a specific nature and to award wherever appropriate compensation to consumers. Penalties for non-compliance of the orders given by the quasi-judicial bodies have also been provided.

PROPERTY RELATED LAWS

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

LAWS RELATING TO INTELLECTUAL PROPERTY

Copyright Act, 1957 (“Copyright Act”)

The Copyright Act grants protection to the authors of literary, artistic, dramatic, musical, photographic, cinematographic or sound recording works from unauthorized uses. Various rights including ownership and economic rights are conferred on the author. These include the right to reproduce the work in any form, issue copies to the public, perform it, and offer for sale and hire.

Trademarks Act, 1999

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

LAWS RELATING TO EMPLOYMENT AND LABOUR

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Factories Act, 1948
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Employees State Insurance Act, 1948
- Payment of Gratuity Act, 1972

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 (“MWA Rules”)
- Public Liability Insurance Act, 1991 (“PLI Act”)
- Industrial (Development and Regulation) Act, 1951 (“IDRA”)
- Industrial Disputes Act, 1947 (“ID Act”)
- Payment of Bonus Act, 1965 (“POB Act”)
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)
- Equal Remuneration Act, 1976 (“ER Act”)
- Contract Labour Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 (“WCA”)
- Maternity Benefit Act, 1961 (“Maternity Act”)
- Industrial Employment Standing Orders Act, 1946

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

History and Background

Our Company was originally formed as Partnership firm under the Partnership Act, 1932 in the name and style of M/s “SK International (Export) Company” having the principal place of business at 41, 2nd Sutar Gally, Bombay – 400 004 on the terms and conditions contained in the partnership Deed executed on 1st November, 1991 between Mr. Shrawankumar Sadh, Mr. Sohit Shrawankumar Sadh and Master. Hitesh Shrawankumar Sadh. The Firm was duly registered on February 15, 1992 with Registrar of Firms at Bombay (Maharashtra) vide Registration No:- BA:- 52446. Further the deed of admission was executed on April 01, 1995, where Mrs. Swarnalata Shrawankumar Sadh was admitted as a new partner with the principal place of business at Unit No A-2/79, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai-400013, Maharashtra, India. Subsequently the deed was amended on May 19, 2003 where the Profit and loss sharing ratio was changed according to the terms and conditions mentioned in the partnership deed. Thereafter the deed of retirement was executed on April 01, 2013, where Mr. Sohit Shrawankumar Sadh retired as a partner. Subsequently the deed of admission of was executed on December 15, 2017, where Mr. Sohit Shrawankumar Sadh, Mrs. Purti Hitesh Sadh, Mrs. Shilpi Amit Sadh and Mr. Vijay Rakesh Sadh was admitted as new partners. Subsequently the deed of admission was executed on May 11, 2018 where Mr. Rajesh Pravinchandra Dhruv was admitted as a new partner with the principal place of business at Unit No A-2/79, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai-400013, Maharashtra, India Further M/s. S.K. International Export Co. was thereafter converted from a partnership firm to a public limited company under Part IX of the Part I of Chapter XXI of the Companies Act, 2013 under the name of SK International Export Limited and received a certificate of incorporation from the Registrar of Companies, Mumbai on September 13, 2018 bearing registration no. 314141. The corporate identity number of our Company is U18109MH2018PLC314141. The partners of M/s. S.K. International Export Co. were initial subscribers to Memorandum of Association of our Company.

Promoters of our Company are Mr. Shrawankumar P. Sadh and Mr. Hitesh Shrawankumar Sadh. Mr. Shrawankumar Sadh started his journey with the proprietary concern in the year 1987 in the business of manufacturing, trading, importing and exporting of garments in the name of M/s S.K International Export Company, and then formed the partnership firm in the year 1991, in the business of manufacturing, trading, importing and exporting of garments in the name of M/s S.K International Export Company for almost 30 years, and Mr. Hitesh Sadh joined the firm in the year 2000, and thereafter our firm got converted into our Company.

Address of Registered office:

| | |
|--------------------------|---|
| Registered office | 78, Ground floor A-2, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai-400013, Maharashtra, India |
|--------------------------|---|

Changes in our Registered Office:

There has been no change in the registered office of the Company.

Key Events and Milestones in the History of our Company (Including awards)

| Period | Event |
|-----------|---|
| 1991-2016 | Catered to European market (Spain, Germany, France, Netherlands, UK)for scarves and beachwear |
| 2017 | Started Selling in US Market |
| 2018 | Conversion from Partnership to Company as SK International Export Limited |
| | Entered into the Domestic Market |
| | Started a new Brand in the Name of Sand Kastle for Kids wear & entered in E-Commerce Platform |
| | Agreement with renowned Retail Chains for fashion Apparels |

Main Objects of our Company

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The objects of our Company are:

1. To carry on the business of erstwhile firm M/s. S.K International Export Co. under the name and style “SK International Export Limited” incorporated under Part I of Chapter XXI of the Companies Act, 2013.
2. To carry on in India and abroad, the business of manufacturers, processors, dealers, distributors, stockiest, agents, purchasers, importers, exporters and traders of all kinds and description of ready-made garments, scarves, shawls, imitation jewelleryes, bags, accessories and all other articles similar to the foregoing or any of them or connected therewith.

Amendments to the Memorandum of Association

The following changes have been made in the Memorandum of Association of our Company since inception

| Date of Shareholder’s Approval | Amendment |
|---------------------------------------|---|
| January 16, 2019 | Increase in authorised share capital from ₹ 6,00,00,000 divided into 60,00,000 equity shares of ₹ 10 each to ₹ 7,70,00,000 divided into 77,00,000 equity share of ₹ 10 each.. |

Corporate Profile of our Company

For details regarding the description of our activities, including details of our business, geographical presence, growth, competition, products, technology, and managerial competence, please see sections entitled “Our Business”, “Our Management” and “Our Industry” beginning on pages 96, 127 and 180 respectively.

Holding Company of our Company

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

Subsidiary of our Company

There is no subsidiary of our Company as on the date of filing of this Draft Prospectus.

Injunctions or Restraining Orders

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

Details of past performance

For details in relation to our financial performance in the previous three financial years, including details of non-recurring items of income, refer to section titled “*Financial statements*” beginning on page 147 of this Draft Prospectus.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets etc., if any, in the last ten years

Our Company has been by formed by conversion of Partnership entity M/s. S.K International Export Co. to “SK International Export Limited”

Shareholders’ Agreements

Our company has not entered into any shareholders’ agreement as on date of filing of Draft Prospectus.

Other Agreements

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business as on the date of filing of this Draft Prospectus.

Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamation etc.

There are no mergers, amalgamation, etc. with respect to our Company and we have not acquired any business/undertakings till date.

Changes in the Activities of our Company during the Last Five Years

There has been no change in the business activities of our Company during the last five years from the date of this Draft Prospectus which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Capital raising activities through Equity or Debt

For details regarding our capital raising activities through equity and debt, please refer “*Capital Structure*” and “*Financial Indebtedness*” on pages 127 and 183 respectively of this Draft Prospectus.

Changes in the Management

For details of change in Management Please refer to “*Our Management*” on page 127 of this Draft Prospectus.

Strikes and Lock-Outs

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock- outs. As on the date of this Draft Prospectus, our employees are not unionized.

Collaboration

Our Company has not entered into any collaboration with any third party as on the date of filing of this Draft Prospectus.

Strategic Partner

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

Financial Partner

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

Defaults or Rescheduling of Borrowings with Financial Institutions or Banks

No defaults have been called by any financial institution or bank in relation to borrowings from financial institutions or banks. For details of our financing arrangements, please refer “*Financial Indebtedness*” on page 183 of this Draft Prospectus. Further, none of our loans have been rescheduled or been converted into Equity Shares.

Number of Shareholders

Our Company has 08 shareholders on date of this Draft Prospectus. For details please refer “*Capital Structure*” on page 55 of this Draft Prospectus.

Time and Cost overruns

Our Company has not implemented any projects and has not, therefore, experienced any time or cost overrun in relation thereto.

Guarantees provided by our Promoters

Our Promoters have not given any guarantees to third parties that are outstanding as on the date of filing of this Draft Prospectus.

SHAREHOLDERS' AGREEMENTS AND OTHER AGREEMENT

Our Promoters have not entered any Shareholders' Agreements and Other Agreement as on the date of filing of this Draft Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

As per the Articles of Association, our Company is required to have not less than three (3) Directors and not more than Fifteen (15) Directors. Our Company currently has Five (5) Directors on Board out of which 3 (three) are Independent Directors and one is Woman Director. The composition of the Board of Directors is governed by the provisions of the Companies Act, 2013. The following table sets forth current details regarding our Board of Directors:

| Name, Father's name, Address, Occupation, Nationality, tenure & DIN | Age (years) | Other Directorships |
|---|-------------|---|
| <p>Mr. Hitesh Shrawankumar Sadh</p> <p>Father Name: Mr. Shrawankumar P. Sadh</p> <p>Designation: Managing Director</p> <p>Term: Appointed for the terms of five years w.e.f January 04, 2019 to January 03, 2024.</p> <p>Address: 1001- B, Utpal Park Bldg, D.S. Raje Marg, Mahim West Mumbai 400016, Maharashtra India</p> <p>Occupation: Business</p> <p>PAN: AJBPS3405M</p> <p>Nationality: Indian</p> <p>DIN: 03055331</p> | 38 | <p>1. Sehej Saraa Fashion Private Limited</p> <p>2. Sk Solar Energy Private Limited</p> |
| <p>Mrs. Purti Hitesh Sadh</p> <p>Husband's Name: Mr. Hitesh Shrawankumar Sadh</p> <p>Designation: Director</p> <p>Term: Appointed since Incorporation for a period of 5 years and liable to retire by rotation</p> <p>Address: 1001- B , Utpal Park Bldg D.S Raje Marg, Mahim West, Mumbai- 400016, Maharashtra, India</p> <p>Occupation: Business</p> <p>PAN: AYWPS3506R</p> <p>Nationality: Indian</p> <p>DIN: 08228285</p> | 36 | NIL |

| | | |
|--|----|---------------------------------|
| <p>Mr. Bhavin Prabhaskar Mehta</p> <p>Father's Name: Mr. Prabhasker Mehta</p> <p>Designation: Additional Director (Non-executive Independent Director)</p> <p>Term: Appointed on 04th December, 2018 till 03rd December, 2023 and not liable to retire by rotation</p> <p>Address: C/20, Lijjat Godavri, Opp Dominos Pizza, M G Road, Kandivali (West) Mumbai 400067 Maharashtra India</p> <p>Occupation: Service</p> <p>PAN: AMWPM9295P</p> <p>Nationality: Indian</p> <p>DIN: 08281963</p> | 36 | NIL |
| <p>Mr. Akshar Jagdish Patel</p> <p>Father's Name: Mr. Jagdish Patel</p> <p>Designation: Additional Director (Non-executive Independent Director)</p> <p>Term: Appointed on 04th December, 2018 till 03rd December, 2023 and not liable to retire by rotation</p> <p>Address: 601, C-7, Darshan Building, Happy Home Society, Nr. Rustomjee, J.S Road, Dahisar West, Mumbai-400068 Maharashtra, India</p> <p>Occupation: Business</p> <p>PAN: APFPP1098D</p> <p>Nationality: Indian</p> <p>DIN: 02908224</p> | 30 | NIL |
| <p>Mr. Jay Narayan Naik</p> <p>Father's Name: Mr. Narayan Naik</p> <p>Designation: Additional Director (Non-executive Independent Director)</p> <p>Term: Appointed on 04th February, 2019 till 03rd February, 2024 and not liable to retire by rotation</p> <p>Address: B-506, Patel Residency, Khoj-Khuntavli, Ambarnath west, Thane- 421 501 Maharashtra, India</p> <p>Occupation: Business</p> | 32 | 1. Bhaumik Coaching Classes LLP |

| | | |
|----------------------------|--|--|
| PAN: AFFPN3793P | | |
| Nationality: Indian | | |
| DIN: 05174213 | | |

Note:

As on the date of this Draft Prospectus:

1. None of the above mentioned Directors are on the RBI List of wilful defaulters as on date.
2. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing this Prospectus or (b) delisted from the stock exchanges.
3. None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

Brief Biographies of our Directors

Mr. Hitesh Shrawankumar Sadh, aged 38 years, is the Managing Director of our company. He was appointed as Managing Director of the Company w.e.f January 04, 2019. He holds a Bachelor degree in Commerce from Mumbai University, Maharashtra. He was a Partner in M/s S.K. International (Export) Co since 2000 till September 2018. He has more than 15 years of experience in the business of manufacturing, trading, importing and exporting of garments. He has been actively involved in developing the business of the organization in a dynamically changing environment. He has been guiding the organization in creating initiatives to take advantage of market opportunities, reduce operational threats, forestall business risks, and maximizes core strengths. He supervises and manages the sales, marketing, Public Relations & human resources of the company.

Mrs. Purti Hitesh Sadh, aged 36 years, is Director of our company. She has been appointed as Director of our company w.e.f. 13th September, 2018. She holds a Bachelor degree in Arts (Psychology and Economics) from Mumbai University, Maharashtra. She has more than 8 years of experience in Textile industry. She has been an instrumental force in formulating and implementation the business strategies of our company.

Mr. Bhavin Prabhaskar Mehta, aged 36 years, is the Non-executive Independent Director of our Company. He has more than 15 years of experience in financial Market. He has passed NSE ACADEMY'S Certification in Financial Markets (NCFM) in "Capital Market dealer's module" and "Derivative's (Dealers) module". He has been appointed as Additional Independent Director of our company w.e.f. December 04, 2018.

Mr. Akshar Jagdish Patel aged 30 years is the Non-executive Independent Director of our Company. He holds a Bachelor in Commerce degree, Bachelor in Law from University of Mumbai. He is a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He had undergone 3 years of management training under Vipul Mehta and Associates, Andheri and 1.5 years at Jagdish Patel & Co. He provided professional guidance to various clients, and he practiced in the field of taxation and internal audit and he has also worked as a Practising Company Secretary. Currently he is providing financial advisory. He has been associated with our Company since December 04, 2018.

Mr. Jay Narayan Naik, aged 32 years, is the Non-executive Independent Director of our company. He has been appointed as Additional Director –Non Executive Independent of our Company on 04th February, 2019. He holds a Bachelor in Commerce degree, Bachelor in Law from the University of Mumbai. He is a member of the Institute of Company Secretaries of India. Currently, he is a Practising Company Secretary having an experience of around 8 years and having expertise in the field of Corporate Laws, Taxation & Intellectual Property Laws. He has been associated with our Company since February 04, 2019.

Confirmations

There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.

The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of this Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such Company.

None of Promoters or Directors of our Company are a fugitive economic offender.

None of the above mentioned Directors are on the RBI List of willful defaulters.

None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.

None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such Company.

Nature of Family Relationship among Directors

Except, Mr. Hitesh Shrawankumar Sadh, who is the spouse of Mrs. Purti Sadh, none of our directors and KMP's are related to each other

Borrowing Powers of the Directors

In accordance with the Articles of Association and pursuant to the EGM of our Company held on January 16, 2019, the Board is authorised to borrow money, mortgage, hypothecate and/or charge all of our Company's immovable and movable properties, present and future, in such sum form or manner as the Board may think fit for securing loans already obtained or that may be obtained from our Company's banker or any other banks, financial institution or any other lending institutions or persons, provided that the total amount of money or monies so borrowed (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), by our Company shall not, at any time, exceed the ₹ 10.00 Crores.

Remuneration to our Directors

Details of remuneration paid to our Directors during Financial Year 2018 are set for the in the table below:

| Sr. No. | Name of Director | Remuneration (Rs. in Lakhs) |
|---------|------------------------------|-----------------------------|
| 1 | Mr. Hitesh Shrawankumar Sadh | 18,00,000 p.a. |
| 2 | Mrs. Purti Hitesh Sadh | 8,00,000 p.a. |

Terms of Appointment of our Directors

Executive Directors

| | |
|---------------------|--|
| Name | Mr. Hitesh Shrawankumar Sadh |
| Designation | Managing Director |
| Period | Appointed since Incorporation and liable to retire by rotation |
| Remuneration | 18,00,000 p.a. |

| | |
|---------------------|--|
| Name | Mrs. Purti Hitesh Sadh |
| Designation | Director |
| Period | Appointed since Incorporation and liable to retire by rotation |
| Remuneration | 8,00,000 p.a. |

There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment.

Non-Executive Directors

Currently, non-executive Directors are not being paid any remuneration and sitting fees. We also confirm that no remuneration and sitting fees being paid to Independent Directors

Shareholding of Directors in our Company

Other than the following, none of our Directors holds any Equity Shares as of the date of filing this Draft Prospectus:

| Name of Director | Number of Equity Shares held | Percentage of pre-Issue capital |
|------------------------------|------------------------------|---------------------------------|
| Mr. Hitesh Shrawankumar Sadh | 23,76,832 | 44.41 |
| Mrs. Purti Hitesh Sadh | 13,730 | 0.26 |

Our Articles of Association do not require our Directors to hold any qualification shares.

Changes in our Board of Directors during the last three (3) years

The changes in the Directors during last three (3) years are as follows:

| Name | Date of appointment/change /cessation | Reason |
|--------------------------------|---------------------------------------|--|
| Mr. Shrawankumar Sadh | September 13, 2018 | Appointment as First Director upon incorporation |
| Mr. Hitesh Shrawankumar Sadh | September 13, 2018 | Appointment as First Director upon incorporation |
| Mrs. Purti Hitesh Sadh | September 13, 2018 | Appointment as First Director upon incorporation |
| Mr. Shrawankumar Sadh | December 04, 2018 | Resignation as Director |
| Mr. Bhavin Prabhashankar Mehta | December 04, 2018 | Appointment as Additional Director |
| Mr. Viraj Bharat Turakhia | December 04, 2018 | Appointment as Additional Director |
| Mr. Akshar Jagadish Patel | December 04, 2018 | Appointment as Additional Director |
| Mr. Hitesh Shrawankumar Sadh | January 04, 2019 | Resignation as Additional Director |
| Mr. Viraj Bharat Turakhia | February 04, 2019 | Appointment as Additional Director |
| Mr. Jay Narayan Naik | February 04, 2019 | Appointment as First Director upon incorporation |

Interest of Directors

Our 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 Directors, please refer “*Remuneration to our Directors*” above.

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 promoters, 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 promoters, directors, partners, proprietors, members or trustees, pursuant to this Issue except Mr. Hitesh Sadh is receiving rent income from our Company.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firms in which they are partners as declared in their respective declarations or proprietor of any business declared by them.

Except as stated in the chapter titled “*Related Party Transactions*” on page 147 of this Draft Prospectus, our Directors do not have any other interest in the business of our Company.

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

Bonus or Profit Sharing Plan for our Directors

None of our Directors are a party to any bonus or profit sharing plan.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchange and the applicable regulations of SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. The provisions of the Companies Act pertaining to the composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees will be applicable to our Company on listing on SME platform of BSE and our Company is, to the extent applicable, in compliance with such provisions.

We believe we are in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchange, the SEBI Listing Regulations and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof.

The corporate governance framework is based on an effective independent board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board of Directors is constituted in compliance with the Companies Act, Listing Agreement to be executed with Stock Exchange, the SEBI Listing Regulations and in accordance with best practices in corporate governance, our Board of Directors functions either as a full board or through management which provides our Board of Directors detailed reports on its performance periodically.

Currently, our Company has 5 (five) Directors on the Board out of which 3 (three) are Independent Directors and one is Woman Director.

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) Nomination and Remuneration Committee;
- c) Stakeholders' Relationship Committee;

Details of each of these committees are as follows:

a. Audit Committee;

Our Audit Committee was constituted pursuant to resolution of our Board dated December 12, 2018. The Audit Committee comprises of the following:

| S. N. | Name of the Director | Status | Nature of Directorship |
|--------------|--------------------------------|---------------|--------------------------------------|
| 1. | Mr. Akshar Jagadish Patel | Chairman | Non-Executive & Independent Director |
| 2. | Mr. Hitesh Shrawankumar Sadh | Member | Executive Director |
| 3. | Mr. Bhavin Prabhashankar Mehta | Member | Non-Executive & Independent Director |

The Company Secretary shall act as the secretary of the Audit Committee.

The scope, functions and the terms of reference of the Audit Committee is in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18 (3) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part C.

The role of the audit committee shall include the following:

(1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, 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;
 - (g) modified opinion(s) 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer 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.

The audit committee shall mandatorily review the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) 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). (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)

b. Nomination and Remuneration Committee

The Nomination and Remuneration committee was constituted by a resolution of our Board dated February 04, 2019. The constitution of the Nomination and Remuneration committee is as follows:

| S. N. | Name of the Director | Status | Nature of Directorship |
|-------|--------------------------------|----------|-------------------------------------|
| 1. | Mr. Jay Narayan Naik | Chairman | Non-Executive &Independent Director |
| 2. | Mr. Akshar Jagadish Patel | Member | Non-Executive &Independent Director |
| 3. | Mr. Bhavin Prabhashankar Mehta | Member | Non-Executive &Independent Director |

The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of Nomination and Remuneration Committee shall include the following:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

c. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated December 12, 2018. The constitution of the Stakeholders' Relationship committee is as follows:

| S. N. | Name of the Director | Status | Nature of Directorship |
|-------|--------------------------------|----------|-------------------------------------|
| 1. | Mr. Bhavin Prabhashankar Mehta | Chairman | Non-Executive Independent Director. |

| | | | |
|----|------------------------------|--------|--------------------|
| 2. | Mr. Hitesh Shrawankumar Sadh | Member | Executive Director |
| 3. | Mrs. Purni Hitesh Sadh | Member | Executive Director |

The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

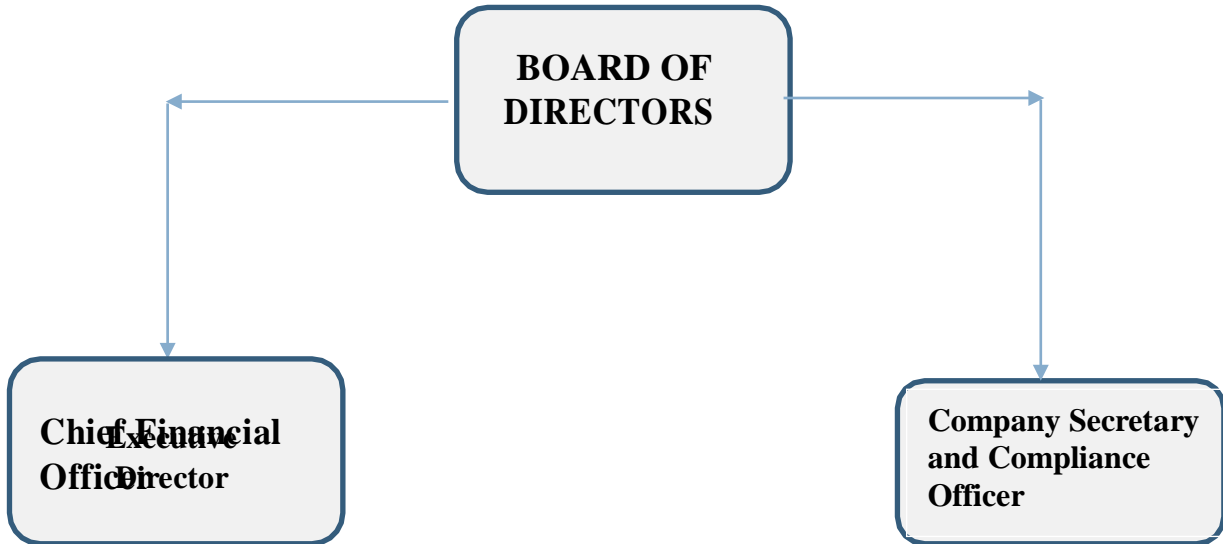
This Committee is responsible for the redressal of the grievances of the security holders including complaints relate to transfer of shares, non-receipt of annual report and non-receipt of dividend. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act read with Regulation 20 of the Listing Regulations.

Our Company has adopted the following policies:

1. Code of Internal Procedures and Conduct for regulating, Monitoring and reporting of Trading by Insider.
2. Criteria for making payment to non-executive director
3. Archival Policy
4. Determination of Material events
5. Policy for Preservation of Documents & Archival of Documents
6. Policy for appointment of Independent directors

Organization Structure

The Management Organization Structure of the Company is depicted in the following chart:



Our Key Managerial Personnel

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of administration / finance / distribution / marketing and corporate laws.

In addition to our Managing Director, Mr. Hitesh Shrawankumar Sadh and Mrs. Purti Hitesh Sadh, following key personnel assist the management of our Company:

Ms. Sneha Sadashiv Parab, Chief Financial Officer and
Ms. Bijal Sunil Shah, Company Secretary and Compliance Officer

For details of our Managing Director please refer chapter “Our Management” on page 127 of this Draft Prospectus.

Brief Profile of Key Managerial Personnel:

Ms. Sneha Sadashiv Parab, aged 27 years, is the Chief Financial Officer of our Company. She has completed her Bachelor’s Degree in Commerce from Mumbai University in the year 2012. She is associated with our Company since December 04, 2018 as Chief financial Officer. Her responsibilities in our Company include overseeing the corporate finance, accounts, of our Company. She looks after the day to day accounting system, tax and other liasioning work with various government authorities. The remuneration paid to her for the financial year ended 31st March, 2018 is Rs. Nil.

Ms. Bijal Sunil Shah, aged 26 years is the Company Secretary & Compliance Officer of our Company. She is an Associate Member of the Institute of Companies Secretaries of India. She has joined our Company with effect from February 4, 2019. Her scope of work and responsibilities include vetting of agreements, preparation of minutes, drafting of resolutions, preparation and updating of various statutory registers, and compliance with the provisions of Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The remuneration paid to her for the financial year ended 31st March, 2018 is Rs. Nil.

Status of Key Managerial Personnel

All our Key managerial personnel are permanent employees of our Company.

Family Relationship between Key Managerial Personnel

As on date, none of the key managerial personnel is having family relation with each other.

Arrangements and Understanding with major Shareholders

None of our key managerial personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Shareholding of the Key Managerial Personnel

Except Mr. Hitesh Sadh, Promoter and Managing Director of the Company holding 23,76,832 Equity Shares and Mrs. Purti Hitesh Sadh holding 13,730 Equity Shares, as on date, none of the key managerial persons are holding Equity Shares of our Company.

Bonus or Profit Sharing Plan for the Key Managerial Personnel

There is no profit sharing plan for the key managerial personnel. Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

Loans to Key Managerial Personnel

There is no loan outstanding against key managerial personnel as on date of this Draft Prospectus.

Interest of Key Managerial Personnel

Except Mr. Hitesh Shrawankumar Sadh, Promoter and Managing Director of the Company, the key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to

which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any.

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

- Mr. Hitesh Sath is receiving rent income from our Company.

Changes in Key Managerial Personnel of our Company during the Last Three (3) Years

The changes in the key managerial personnel of our Company during the last three (3) years.

| Name | Date of appointment/change/cessation | Reason |
|------------------------------|---|--|
| Ms. Sneha Sadashiv Parab | December 04, 2018 | Appointment as a Chief Financial Officer |
| Mr. Hitesh Shrawankumar Sath | January 04, 2019 | Appointment as a Managing Director |
| Ms. Bijal Sunil Shah | February 4, 2019. | Appointment as a Company Secretary |

Employees Stock Option Scheme

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Draft Prospectus.

Payment or Benefit to our Officers

Except for the payment of normal remuneration for the services rendered in their capacity as employees of our Company, no other amount or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.

Non-salary related payment or benefits to our Key Managerial Personnel

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, none of the Key Managerial Personnel of our Company, including our Directors, is entitled to any benefits upon termination of employment under any service contract entered into with our Company. Except as stated otherwise in this Draft Prospectus and any statutory payments made by our Company, no amount or benefit has been paid or given, in the two years preceding the date of this Draft Prospectus, or is intended to be paid or given to any of our Company's officers except remuneration for services rendered as Directors, Key Managerial Personnel or employees of our Company.

Contingent or Deferred Compensation of Key Managerial Personnel

None of our Key Managerial Personnel have received or are entitled to any contingent or deferred compensation.

Remuneration paid to our Key Managerial Personnel during previous financial year

Remuneration paid to our Key Managerial Personnel during financial year 2017-18 is NIL and No benefits in kind have been granted to our Key Managerial Personnel during previous financial year

Employees


The details about our employees appear under the Paragraph titled "*Human Resource*" beginning on page 96 of this Draft Prospectus.

OUR PROMOTERS AND PROMOTER GROUP


The Promoters of our Company are:

1. Mr. Shrawankumar P. Sadh
2. Mr. Hitesh Shrawankumar Sadh

1. Mr. ShrawanKumar Sadh

| | |
|---|---|
|  | <p>Mr. Shrawankumar Sadh, aged 71 years, is the promoter of our Company. He holds degree of HSC. He has started the textile business in the year 1987 in the name and style of S.K. International Export Company. He has more than 30 years of experience in the in the business of manufacturing, trading, importing and exporting of garments. He has been actively involved in developing the business of the organization in a dynamically changing environment.</p> |
| Address | B/1002, Uttpal Park, D.S. Raje Marg, Off. Sitladevi Temple road, Mahim West Mumbai 400016, Maharashtra India |
| Occupation | Business |
| Date of Birth | May 01, 1947 |
| Nationality | Indian |
| Permanent Account Number | AAFPS2137R |
| Passport Number | S2245428 |
| Driving License Number | 540237 |
| Election Card | TDW1550524 |
| Aadhar Card Number | 641188008229 |
| Name of the Bank and Bank Account Number | RBL Bank, Account Number - 309000900010 |
| Other Ventures Promoted by him | <ul style="list-style-type: none"> • SK Solar Energy Private Limited • Sehej Saraa Fashion Private Limited • Palme Fashions Private Limited |

2. Mr. Hitesh Shrawankumar Sadh

| | |
|---|---|
|  | <p>Mr. Hitesh Shrawankumar Sadh, aged 38 years, is the Promoter and Managing Director of our Company. He was appointed as Managing Director of the Company w.e.f January 04, 2019. He holds a Bachelor degree in Commerce from Mumbai University, Maharashtra. He was a Partner in M/s S.K. International (Export) Co since 2000 till September 2018. He has more than 15 years of experience in the business of manufacturing, trading, importing and exporting of garments. He has been actively involved in developing the business of the organization in a dynamically changing environment. He has been guiding the organization in creating initiatives to take advantage of market opportunities, reduce operational threats, forestall business risks, and maximizes core strengths. He supervises and manages the sales, marketing, Public Relations & human resources of our Company.</p> |
| Address | B/1001, Utpal Park bldg, D.S. Raje Marg, Mahim West Mumbai 400016, Maharashtra India |
| Occupation | Business |
| Date of Birth | May 16, 1980 |
| Nationality | Indian |
| Permanent Account Number | AJBPS3405M |
| Passport Number | Z2680096 |
| Driving License Number | MH01 20160014031 |
| Election Card | TWD1550516 |
| Aadhar Card Number | 898844816743 |
| Name of the Bank and Bank Account Number | RBL Bank, Account Number - 309000900013 |
| Other Ventures Promoted by him | <ul style="list-style-type: none"> • SK Solar Energy Private Limited • Sehej Saraa Fashion Private Limited • Palme Fashions Private Limited |

Declaration

We declare and confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our individuals Promoters will be submitted to the Stock Exchange on which the specified securities are proposed to be listed with the Stock Exchange.

Common Pursuits of our Promoters

Except as mentioned in chapter titled “*Group Entities of our Company*” beginning on page 144, our Promoters have not promoted any *Group Companies/Entities* which are engaged in the line of business similar to our Company as on the date of this Prospectus. For more details please refer Section titled “*Our Promoters and Promoter Group*” & “*Group Entities of our Company*” on page 139 & 144 of this Draft Prospectus respectively. We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

Interest of the Promoters

Our promoters are interested in our Company to the extent that they have promoted the Company, to the extent of their shareholding, for which they are entitled to receive the dividend declared, and other distribution in respect of Equity Shares if any, by our Company. Our promoters have rent income arising from the Company on the property provided on lease basis to the Company. For details on shareholding of our Promoter in our Company, please refer sections “*Capital Structure*” and “*Our Management*” on pages 55 and 127 respectively of this Draft Prospectus.

Further, our Promoters who are also our Directors may be deemed to be interested to the extent of fees, remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act, terms of the Articles and their terms of appointment.

Except as stated herein and as stated in “Annexure 29 of Related Party Transactions” appearing under section titled “Financial Information” of the Company beginning on page 208 of this Draft Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

Interest in promotion of our Company

Our Promoter is interested in our Company to the extent he has promoted our Company.

Interest in the property of Our Company

Except for leave and licence agreement for our corporate office and factory premises as mentioned below, we have not entered into any contract, agreements or arrangements during the preceding three years from the date of this Prospectus in which the Promoter was directly or indirectly interested and no payments have been made to him in respect of the contracts, agreements or arrangements which are proposed to be made with him including the properties acquired by our Company.

| Sl. No | Location of the Property | Date of Agreement | Purpose | Licensor | Rent/ License Fee (in Rs.) per month | Lease/License period | |
|--------|---|-------------------|--------------------------|-----------------------------------|--------------------------------------|----------------------|-------------------|
| | | | | | | From | To |
| 1 | Unit No A-2/79, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai-400013 Maharashtra, India | February 08, 2019 | Head office and showroom | Shrawankumar Sadh | 70,000/- | December 04, 2018 | December 03, 2023 |
| 2 | Unit No A-2/178, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai-400013 Maharashtra, India | February 08, 2019 | Head office and showroom | Hitesh Sadh | 50,000/- | December 04, 2018 | December 03, 2023 |
| 3 | BTS 68, S. K. International, HDIL Industrial Park, Chandansar, Virar East - 401305 Palghar Maharashtra, India | February 08, 2019 | Factory | Shrawankumar Sadh and Hitesh Sadh | 50,000/- | December 04, 2018 | December 03, 2023 |

Interest in the business of our Company

Except as disclosed in the chapter titled “Our Management” and “Related Party Transaction” beginning on page 127 and 147, respectively of this Draft Prospectus and except to the extent of business transaction entered into or proposed to be entered into by our Company with our Promoter or any firm, LLP, company or body corporate with which he is associated as promoter, director, partner or member, Our Promoters is not interested in the business of our Company.

Interest of Promoter in our Company other than as Promoter

Other than as Promoters, our Promoter may be deemed to be interested in our Company to the extent of their shareholding and directorship in our Company and the dividend and other benefits paid or payable by our Company. For details kindly refer chapters titled “Our Management” and “Capital Structure” beginning on pages 136 and 60 respectively of this Draft Prospectus.

Except as mentioned in this chapter and the chapters titled “*Capital Structure*”, “*Our Business*”, “*History and Corporate Structure*” and “*Related Party Transactions*” on pages 55, 96, 40 and 147 of this Draft Prospectus, respectively, our Promoters does not have any interest in our Company other than as promoter.

Other interest of our Promoter

Our Promoters may be deemed to be interested in our Company to the extent of compensation paid or payable to him in his capacity as director for attending meetings of the Board or a committee thereof as well as to the extent of remuneration, commission and reimbursement of expenses payable to him as per the terms of appointment and relevant provisions of Companies Act.

Further, our Promoters is the also director and shareholders on the board of our Group Companies and may be deemed to be interested to the extent of the payments made by our Company, if any, to/from these Group Companies. For the payments that are made by our Company to certain Group Companies, kindly refer “*Financial Statements- Annexure 28 - Related Party Transaction*” on page 147 of this Draft Prospectus.

Payment amounts or benefit to our Promoters during the last two years

No payment has been made or benefit given to our Promoters in the two years preceding the date of this Draft Prospectus except as mentioned / referred to in this chapter and in the section titled “*Our Management*”, “*Financial Information*” and “*Capital Structure*” on page nos. 127, 289 and 55 respectively of this Draft Prospectus. Further as on the date of this Draft Prospectus, there is no bonus or profit sharing plan for our Promoters.

Confirmations

For details of legal and regulatory proceedings involving our Promoter, please refer to the section titled “*Outstanding Litigation and Material Developments*” on page 185 of this Draft Prospectus. Our Promoters have not been declared a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past or are pending against them.

Other ventures of our Promoters

Save and except as disclosed in the section titled “*Our Promoters and Promoter Group*” and “*Group Entities of our Company*” beginning on page 139 and page 144 respectively of this Draft Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

Litigation details pertaining to our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “*Outstanding Litigations and Material Developments*” on page 185 of this Draft Prospectus.

Shareholding of the Promoters and Promoter Group in our Company

Except as disclosed in “*Capital Structure*”, none of the members of our Promoter Group hold any Equity Shares as on the date of filing of this Draft Prospectus.

Related Party Transactions

For the transactions with our Promoter Group entities, please refer to section titled “*Related Party Transactions*” on page 147 of this Draft Prospectus.

Except as stated in “*Related Party Transactions*” on page 147 of this Draft Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

Companies with which our Promoters have disassociated in the last three years

None of our Promoters have disassociated themselves from any companies during the three years preceding the date of this Draft Prospectus apart from Palme fashions which was initially promoted by Mr. Hitesh Sadh. However no association with the Company since last 2 years.

Change in the management and control of our Company

There has not been any change in the management or control of our Company.

OUR PROMOTER GROUP

In addition to the Promoters of our Company, the following individuals and entities form a part of the Promoter Group.

Individuals forming part of Promoter Group

In terms of SEBI (ICDR) Regulations, the following immediate relatives, due to their relationship with our Promoters are part of our Promoter Group in terms of Regulation 2(1) (pp) (ii) of SEBI (ICDR) Regulations, 2018.

| Promoters | Mr. Shrawankumar Sadh | Mr. Hitesh Shrawankumar Sadh |
|-------------------|---|------------------------------|
| Father | Phoolkumar Sadh | Shrawankumar Sadh |
| Mother | Chandarmanti Sadh | Swarnalata Sadh |
| Spouse | Swarnalata Sadh | Purti Sadh |
| Brother(s) | Vijay Sadh, Rajkumar Sadh | Sohit Sadh |
| Sister(s) | Vijay Sadh, Roopkumari Sadh, Rajkumari Sadh | Shilpi Sadh |
| Son | Sohit Sadh, Hitesh Sadh | - |
| Daughter(s) | Shilpi Sadh | Sehej Sadh, Saraa Sadh |
| Spouse Father | Late Sahdev Narain sadh | Savinay Sadh |
| Spouse Mother | Late Ablarani Sadh | Preeti Sadh |
| Spouse Brother(s) | Rakesh Sadh, Chamkesh Sadh | Darpan Sadh |
| Spouse Sister(s) | Sunita Sadh | Prerna Sadh |

Entities forming part of the Promoter Group

The following entities form part of our Promoter Group pursuant to the terms of Regulation 2(1) (pp) (iv) of SEBI (ICDR) Regulations, 2018:

- SK Solar Energy Private Limited
- Sehej Saraa Fashion Private Limited
- Palme Fashions Private Limited
- True Fashion
- Aastha Prints
- Trends & Fashion

Hindu Undivided Families forming part of the Promoter Group pursuant to the terms of Regulation 2(1) (pp) (iv) of SEBI (ICDR) Regulations:

- Shrawankumar Sadh HUF

Payment of benefits to Promoter Group

No payment has been made or benefit given to our Promoter Group in the two years preceding the date of this Draft Prospectus except as mentioned / referred to in this chapter and in the chapter titled “*Our Management*”, “*Financial Statement as Restated*” and “*Capital Structure*” on page nos. 127 and 55 respectively of this Draft Prospectus

GROUP ENTITIES OF OUR COMPANY

As per the requirements of SEBI (ICDR) Regulations, for the purpose of identification of 'group companies', our Company has considered those companies as Group Companies, which are included in the list of related parties of the Company during the period for which financial information is disclosed in this Draft Prospectus, as covered under the applicable accounting standards or other Companies as considered material by our Board. Pursuant to a resolution of our Board dated December 12, 2018, for the purpose of disclosure in Issue documents for the Issue, a company shall be considered material and disclosed as a Group Company' if (i) companies in which the investment in the form of equity or loan by our Company exceeds 10% of the consolidated net worth of our Company for the last audited financial year; (ii) where the Company has entered into one or more transactions with such company in the last audited financial year, cumulatively exceeding 10% of the total consolidated revenue of our Company for the last audited financial year; and (iii) any other company which the Board may decide.

The details of our Group Companies are provided below:

Sehej Saraa Fashion Private Limited

| | | |
|--------------------------------------|--|------------|
| Brief Description of Business | As per MOA the main objects are: To carry on in India and abroad the business as manufacturer, producers, processors, importers, exporters, agents, brokers, wholesalers, showroom owners, retailers, distributors, exchangers, traders, buyers, sellers, jobworkers, stockists and to market, promote, organize, design, develop, cut, sort & grade or otherwise to deal in all shapes, sizes, varieties, specifications, descriptions, applications, modalities, fashions & uses of textiles, fabrics, yarn & garments for men, women & children including sportswear, activewears, dailywears, fashionwears, partywears, wearing apparels, underwears, purses, belts, wallets made ups & jewellery and other allied goods made from cotton, silk, synthetics, jute, velvet, woolen, leather, rexin or with any combination thereof and to participate in local, national and international trade fairs, sales exhibitions, seminars, fashions, shows or any other sales promotion scheme. | |
| Date of Incorporation | 28/10/2010 | |
| CIN | U18204MH2010PTC209534 | |
| Listing details | Unlisted | |
| PAN | AAOCS9446D | |
| Registered Office Address | A-2, Unit No. 79, Shah And Nahar Industrial Estate S. J. Road, Lower Parel (West) Mumbai-400013, Maharashtra, India. | |
| Board of Directors | Name | DIN |
| | Mr.Hitesh Shrawankumar Sadh | 3055331 |
| | Mr. Shravankumar Phoolkumar Sadh | 3055403 |

| Audited Financial Information | | | |
|---|----------------|----------------|--------------|
| Particulars | 2018 | 2017 | 2016 |
| Paid Up Equity Share Capital | 1,00,000.00 | 1,00,000.00 | 1,00,000.00 |
| Reserves and Surplus (excluding Revaluation Reserve and less Miscellaneous expense, if any) | 46,50,586.00 | 44,14,497.00 | 36,03,115.00 |
| Net worth | 44,58,964.00 | 45,13,397.00 | 37,03,116.00 |
| Income including other income and exceptional items | 2,33,91,441.00 | 1,19,92,618.00 | 55,70,378.00 |
| Profit/(Loss) after tax | 2,36,089.00 | 8,11,382.00 | 1,57,639.00 |
| Earnings per share (face value of Rs. 10/- each) | 24.00 | 81.00 | 16.00 |
| Net asset value per share (Rs.) | 4.40 | 4.50 | 3.70 |

Shareholding Pattern as on the date of the Draft Prospectus is as follow:

| Name of Shareholder | No. of Shares | % |
|-----------------------------------|---------------|-------------|
| Mr. Hitesh Shrawankumar Sadh | 3,000 | 30.00% |
| Mrs. Swarnalata Shrawankumar Sadh | 1,500 | 15.00% |
| Mrs Purti Sadh | 1,500 | 15.00% |
| Mr. Shrawankumar P.Sadh | 4,000 | 40.00% |
| TOTAL | 10000 | 100% |

DIVIDEND POLICY

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company was incorporated on September 13, 2018 pursuant to conversion of partnership firm and has not paid any dividend since incorporation... When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by Our Company.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer Annexure 29 of restated financial statement under section titled “*Financial Statements as Restated*” beginning on page 147 of this Draft Prospectus.

SECTION V – FINANCIAL INFORMATION

The separate audited financial statements for the past financials years immediately preceding the date of the Draft Prospectus of our Company have been made available on the website of the Company at www.skinternational.in

FINANCIAL STATEMENTS AS RESTATED

Independent Auditor's Report for the Restated Financial Statements of SK International Export Limited

The Board of Directors
SK INTERNATIONAL EXPORT LIMITED
 78, Ground, A2,
 Shah & Nahar Industrial Estate,
 Sitaram Jadhav Marg,
 Lower Parel,
 Mumbai - 400013

Dear Sirs,

1. We have examined the attached Restated Statement of Assets and Liabilities of **SK INTERNATIONAL EXPORT LIMITED** (the "Company") as at 12th September 2018, 31st March 2018 , 31st March, 2017 and 31st March, 2016, the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the Period ended 12th September 2018, 31st March 2018 , 31st March, 2017and 31st March 2016 annexed to this report for the purpose of inclusion in the offer document prepared by the Company (collectively the "**Restated Summary Statements**" or "**Restated Financial Statements**"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in SME Platform of BSE Limited.
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
 - (i) Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules") and
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
 - (iii) The terms of reference to our engagements with the Company letter dated 19-09-2018 requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE Limited (BSE SME) ("**IPO**" or "**SME IPO**"); and
 - (iv) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("**Guidance Note 2019**").
3. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the period ended 12th September 2018, 31st March 2018, 31st March, 2017and 31st March, 2016 which has been approved by the Board of Directors.
4. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
 - (i) The "**Statement of Assets and Liabilities as Restated**" as set out in **Annexure 1** to this report, of the Company as at 12th September 2018, 31st March 2018 , 31st March, 2017 and 31st March, 2016 are prepared by the Company and approved by the Board of Directors. These Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully Described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.
 - (ii) The "**Statement of Profit and Loss as Restated**" as set out in **Annexure 2** to this report, of the Company for the period ended 12th September 2018, 31st March 2018, 31st March, 2017 and 31st March, 2016 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.
 - (iii) The "**Statement of Cash Flow as Restated**" as set out in **Annexure 3** to this report, of the Company for the period ended 12th September 2018, 31st March 2018, 31st March, 2017 and 31st March, 2016 are prepared by

the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.

5. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
 - a) Adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.
 - b) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.
 - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments except as disclosed in the notes to accounts.
 - d) As per Accounting Standard - 15 (Employee Benefits) issued by the Institute of Chartered Accountants of India, the company is required to assess its gratuity/leave encashment liability each year on the basis of actuarial valuation and make provision for gratuity/leave encashment liability. However, company has provided for gratuity/leave encashment expenses in the financial statement and has not taken any actuarial valuation report. So to that extent the profit & loss account of the company does not represent true & fair result of the company performance.
 - e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in **Annexure 4** to this report.
6. Audit for the period / financial year ended 12th September 2018, 31st March 2018, 31st March, 2017 and 31st March, 2016 was conducted by M/s. PARESH – BHUPENDRA & ASSOCIATES (Chartered Accountants) accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them and no routine audit has been carried out by us. Further financial statements for the financial period ended on 12th September, 2018 have been re-audited by us as per the relevant guidelines.
7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial period/year ended on 12th September 2018, 31st March 2018, 31st March, 2017 and 31st March, 2016 proposed to be included in the Draft Prospectus/Prospectus ("**Offer Document**").

Annexure of Restated Financial Statements of the Company:-

1. Significant Accounting Policies and Notes to Accounts as restated in Annexure 4;
2. Reconciliation of Restated Profit as appearing in Annexure 5 to this report.
3. Details of Share Capital as Restated as appearing in Annexure 6 to this report;
4. Details of Long Term Borrowings as Restated as appearing in Annexure 7 to this report;
5. Nature of Security and Terms of Repayment for Long term Liabilities as appearing in Annexure 7.1 to this report;
6. Details of Other Long Term Liabilities as Restated as appearing in Annexure 8 to thisreport;
7. Details of Trade Payables as Restated as appearing in Annexure 9 to this report;
8. Details of Other Current Liabilities as Restated as appearing in Annexure 10 to this report;
9. Details of Short Term Provision as Restated as appearing in Annexure 11 to this report;
10. Details of Fixed Assets as Restated as appearing in Annexure 12 to this report;
11. Details of Non-Current Investments as Restated as appearing in Annexure 13 to this report;
12. Details of Deferred Tax Asset (Net) as Restated as appearing in Annexure 14 to this report;
13. Details of Inventories as Restated as appearing in Annexure 15 to this report;
14. Details of Trade Receivables as Restated enclosed as Annexure 16 to this report;
15. Details of Cash and Cash Equivalentents as Restated enclosed as Annexure 17 to this report;

16. Details of Short Term Loans & Advances as Restated as appearing in Annexure 18 to this report;
 17. Details of other Current Assets as Restated as appearing in Annexure 19 to this report;
 18. Details of Revenue from operations as Restated as appearing in Annexure 20 to this report;
 19. Details of Other Income as Restated as appearing in Annexure 21 to this report;
 20. Details of Cost of Purchases as Restated as appearing in Annexure 22 to this report;
 21. Details of Changes In Inventories of Stock-In-Trade as Restated as appearing in Annexure 23 to this report;
 22. Details of Employee Benefit Expenses as Restated as appearing in Annexure 24 to this report;
 23. Details of Finance Cost as Restated as appearing in Annexure 25 to this report;
 24. Details of Depreciation and Amortisation as Restated as appearing in Annexure 26 to this report;
 25. Details of Other expenses as Restated as appearing in Annexure 27 to this report;
 26. Details of Payment to Auditors as Restated as appearing in Annexure 27.1 to this report;
 27. Details of Summary of Accounting Ratios as Restated as appearing in Annexure 28 to this report;
 28. Details of Related Parties Transactions as Restated as appearing in Annexure 29 to this report;
 29. Capitalization Statement as Restated as at 12th September 2018 as appearing in Annexure 30 to this report;
 30. Statement of Tax Shelters as Restated as appearing in Annexure 31 to this report.
 31. Statement of Contingent Liabilities as Restated as appearing in Annexure 32 to this report.
8. We, M/s A Biyani & Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
 9. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
 10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
 11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
 12. In our opinion, the above financial information contained in Annexure 1 to 32 of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
 13. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

For A Biyani & Co.
Chartered Accountants

Ashutosh Biyani
Proprietor
FRN No.140489W
Membership No. 165017
Place : Mumbai
Date : 25-01-2019

ANNEXURE 1
STATEMENTS OF ASSETS AND LIABILITIES AS RESTATED

(Amount ₹ In Lakhs)

| PARTICULARS | | 12-09-2018 | AS AT 31ST MARCH | | |
|-------------|--|---------------|------------------|---------------|---------------|
| | | | 2018 | 2017 | 2016 |
| A) | EQUITY AND LIABILITIES | | | | |
| 1. | <u>Shareholders' Funds</u> | | | | |
| (a) | Share Capital (Partners capital account) | 540.67 | 516.81 | 316.20 | 203.27 |
| (b) | Reserves & Surplus | - | - | - | - |
| | | 540.67 | 516.81 | 316.20 | 203.27 |
| 2. | <u>Non-Current Liabilities</u> | | | | |
| (a) | Long Term Borrowings | 4.62 | 5.93 | 69.49 | 78.54 |
| (b) | Deferred Tax Liabilities (Net) | - | - | - | - |
| (c) | Long term provisions | - | - | - | - |
| | | 4.62 | 5.93 | 69.49 | 78.54 |
| 3. | <u>Current Liabilities</u> | | | | |
| (a) | Short Term Borrowings | - | - | - | - |
| (b) | Trade Payables | 90.32 | 80.20 | 47.31 | 154.56 |
| (c) | Other Current Liabilities | 0.28 | 1.03 | 0.61 | 0.50 |
| (d) | Short Term Provisions | 7.24 | 8.01 | 8.96 | 7.63 |
| (e) | Deposits | 3.00 | 3.00 | - | - |
| | | 100.83 | 92.25 | 56.89 | 162.69 |
| | Total | 646.13 | 614.99 | 442.58 | 444.50 |
| B) | ASSETS | | | | |
| 1. | <u>Non-Current Assets</u> | | | | |
| (a) | Fixed Assets | | | | |
| i) | Tangible Assets | 186.15 | 195.64 | 136.68 | 168.96 |
| ii) | Intangible Assets | 0.39 | - | - | - |
| | | 186.54 | 195.64 | 136.68 | 168.96 |
| (b) | Non-Current Investment | 101.47 | 99.14 | 0.99 | 3.27 |
| (c) | Long Term Loans and Advances | - | - | - | - |
| (d) | Deferred Tax Assets (Net) | 5.46 | 4.93 | 0.41 | 0.47 |
| (e) | Other Non-Current Assets | - | - | - | - |
| | | 106.93 | 104.07 | 1.40 | 3.74 |
| 2. | <u>Current Assets</u> | | | | |
| (a) | Inventories | 18.05 | 72.89 | 44.29 | 59.53 |
| (b) | Trade Receivables | 158.12 | 11.42 | 57.29 | 62.75 |
| (c) | Cash and Bank Balances | 94.35 | 128.12 | 127.93 | 130.50 |
| (d) | Short term loans & advances | 40.94 | 48.36 | 59.50 | 18.84 |
| (e) | other current assets | 41.19 | 54.50 | 15.48 | 0.18 |
| | | 352.65 | 315.28 | 304.50 | 271.80 |
| | Total | 646.13 | 614.99 | 442.58 | 444.50 |

As per our report of even date attached

A. Biyani & Co.
Chartered Accountants

Director

For and on behalf of the Board of Directors
SK International Export Limited

Director

F.R.N. 140489W
Ashutosh Biyani
Proprietor
M. No. 165017

Chief Financial Officer

Company Secretary & Compliance Officer

Place: Mumbai
Date :25-01-2019

ANNEXURE-2
RESTATED STATEMENT OF PROFIT AND LOSS

(Amount ₹ In Lakhs)

| PARTICULARS | 12-09-2018 | AS AT 31ST MARCH | | |
|--|---------------|------------------|---------------|---------------|
| | | 2018 | 2017 | 2016 |
| 1 Revenue From Operation | 422.24 | 844.24 | 805.87 | 888.28 |
| 2 Other Income | 36.90 | 278.26 | 134.13 | 48.55 |
| 3 Total Revenue (1+2) | 459.14 | 1,122.49 | 940.00 | 936.83 |
| 4 Expenditure | | | | |
| (a) Purchase of Traded Goods | 177.28 | 524.60 | 413.25 | 543.53 |
| (c) Changes in Inventories of stock-in-trade | 54.84 | (28.60) | 15.25 | (14.53) |
| (d) Employee Benefit Expenses | 92.76 | 116.54 | 127.34 | 66.82 |
| (e) Finance Cost | 0.58 | 9.60 | 8.94 | 55.07 |
| (f) Depreciation and Amortisation Expenses | 11.03 | 20.20 | 17.75 | 21.17 |
| (g) Other Expenses | 91.57 | 247.35 | 309.09 | 250.63 |
| 5 Total Expenditure 4(a) to 4(g) | 428.06 | 889.69 | 891.62 | 922.69 |
| 6 Profit/(Loss) Before Tax (3-5) | 31.09 | 232.80 | 48.37 | 14.14 |
| 7 Tax Expense: | | | | |
| (a) Tax Expense for Current Year | - | - | - | - |
| (b) Short/(Excess) Provision of Earlier Year | - | - | - | - |
| (c) Deferred Tax | (0.54) | (4.52) | 0.06 | (0.47) |
| Net Current Tax Expenses | (0.54) | (4.52) | 0.06 | (0.47) |
| 8 Profit/(Loss) for the Year (6-7) | 31.62 | 237.32 | 48.31 | 14.61 |

As per our report of even date attached

A. Biyani & Co.
Chartered AccountantsFor and on behalf of the Board of Directors
SK International Export Limited

Director

Director

F.R.N. 140489W
Ashutosh Biyani
Proprietor
M. No. 165017

Chief Financial Officer

Company Secretary & Compliance Officer

Place: Mumbai
Date :25-01-2019

**ANNEXURE-3
RESTATED CASH FLOW STATEMENT**

(Amount ₹ In Lakhs)

| PARTICULARS | 12.09.2018 | FOR THE YEAR ENDED 31 st MARCH | | | |
|--|--|---|------------------------|------------------------|------------------------|
| | | 2,018 | 2,017 | 2,016 | |
| A) Cash Flow From Operating Activities : | | | | | |
| Net Profit before tax | 31.09 | 232.80 | 48.37 | 14.14 | |
| Adjustment for : | | | | | |
| Depreciation | 11.03 | 20.20 | 17.75 | 21.17 | |
| Interest Paid | 0.58 | 9.60 | 8.94 | 55.07 | |
| Interest Income | (3.31) | (7.41) | (7.72) | (7.67) | |
| Dividend | - | - | - | (2.04) | |
| Short Term Capital Gain | - | (156.02) | (1.23) | (2.28) | |
| Provision of Gratuity | | | | | |
| Operating profit before working capital changes | 39.39 | 99.18 | 66.12 | 78.38 | |
| Changes in Working Capital | | | | | |
| (Increase)/Decrease in Inventories | 54.84 | (28.60) | 15.24 | (14.53) | |
| (Increase)/Decrease in Trade Receivables | (146.70) | 45.87 | 5.45 | 76.80 | |
| (Increase)/Decrease in Short Term Loans & Advances | 7.42 | 11.15 | (40.66) | (0.67) | |
| (Increase)/Decrease in Other Current Assets | 13.31 | (39.02) | (15.30) | (0.18) | |
| (Increase)/Decrease in Other Non Current Assets | - | - | - | - | |
| Increase/(Decrease) in Trade Payables | 10.11 | 32.89 | (107.25) | 17.58 | |
| Increase/(Decrease) in Other Current Liabilities | (0.75) | 0.42 | 0.12 | (0.20) | |
| Increase/(Decrease) in Short Term Provisions | (0.77) | (0.95) | 1.34 | 7.12 | |
| Increase/(Decrease) in Deposits | - | 3.00 | - | - | |
| Cash generated from operations | (23.16) | 123.94 | (74.95) | 164.30 | |
| Less:- Income Taxes paid | | | | | |
| Cash Flow Before Extraordinary Item | (23.16) | 123.94 | (74.95) | 164.30 | |
| Extraordinary Items | - | - | - | - | |
| Net cash flow from operating activities | (23.16) | 123.94 | (74.95) | 164.30 | |
| B) Cash Flow From Investing Activities : | | | | | |
| Purchase of Fixed Assets | (1.90) | 76.87 | 15.76 | (16.44) | |
| Investment made during the year | (2.33) | (98.15) | 2.28 | (2.28) | |
| Interest Income | 3.31 | 7.41 | 7.72 | 7.67 | |
| Dividend Income | - | - | - | 2.04 | |
| Net cash flow from investing activities | (0.92) | (13.87) | 25.76 | (9.01) | |
| C) Cash Flow From Financing Activities : | | | | | |
| Capital introduction/ Withdrawal by Partners | (7.77) | (36.70) | 64.61 | (188.00) | |
| Increase/(Decrease) in Long Term Borrowings | (1.31) | (63.56) | (9.05) | 38.56 | |
| Interest Paid | (0.58) | (9.60) | (8.94) | (55.07) | |
| Net cash flow from financing activities | (9.66) | (109.86) | 46.62 | (204.50) | |
| Net Increase/(Decrease) In Cash & Cash Equivalents | (33.74) | 0.21 | (2.57) | (49.21) | |
| Cash equivalents at the beginning of the year | 128.12 | 127.93 | 130.50 | 179.71 | |
| Cash equivalents at the end of the year | 94.35 | 128.12 | 127.93 | 130.50 | |
| Notes :- | | | | | |
| | | As on 12th September, 2018 | As on 31st March, 2018 | As on 31st March, 2017 | As on 31st March, 2016 |
| 1 | Component of Cash and Cash equivalents | | | | |
| | Cash on hand | 1.16 | 0.52 | 1.19 | 3.08 |
| | Balance With banks | 93.19 | 127.60 | 34.42 | 41.86 |
| | Fixed Deposit | - | - | 92.33 | 85.57 |
| | | 94.35 | 128.12 | 127.93 | 130.50 |

| | |
|---|--|
| 2 | Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated. |
|---|--|

For and on behalf of the Board of Directors

As per our report of even date attached

A. Biyani & Co.
Chartered Accountants
F.R.N. 140489W
Ashutosh Biyani
Proprietor
M. No. 165017
Place: Mumbai
Date :25-01-2019

SK International Export Limited

Director

Director

Chief Financial Officer

Company Secretary & Compliance
Officer

ANNEXURE-4**SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS****A. BACKGROUND**

Our Company was originally formed as partnership firm constituted under the Partnership Act, 1932 (the "Partnership Act") in the name of M/s S.K. International (Export) Co., pursuant to a deed of partnership dated Nov 01, 1991. M/s S.K. International (Export) Co. was thereafter converted from a partnership firm to a public limited company, with the name SK International Export Limited and received a certificate of incorporation from Registrar of Companies, Mumbai on September 13, 2018 bearing Corporate Identification Number (CIN) U18109MH2018PLC314141.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Restated Summary Statement of Assets and Liabilities of the Company as on September 12, 2018, March 31, 2018, March 31, 2017 and March 31, 2016, and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the period ended on September 12, 2018 and for the year ended on March 31, 2018, March 31, 2017 and March 31, 2016 and the annexure thereto (collectively, the "**Restated Financial Statements**" or "**Restated Summary Statements**") have been extracted by the management from the Audited Financial Statements of the Company for the period ended September 12, 2018 and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2014 as per section 133 of the Companies Act, 2013.

The Company has been formed through conversion of a partnership firm to a Limited Company; therefore financial statement has been prepared in format as suggested in Schedule III of Companies Act, 2013.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include value of residual stock items, etc. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

3. FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

4. DEPRECIATION**Tangible Fixed Assets**

The Company (erstwhile Partnership Firm) has followed method of Depreciation as mentioned in Section 32 of Income Tax Act, 1961. Since the Firm has been converted into a Limited Company with effect from September 13, 2018, depreciation for the period up to September 12 2018 has been calculated as per Income Tax Act, 1961 only.

Intangible Fixed Assets

The Company will follow Straight Line Method of amortization of such assets over 5 years on pro-rata basis.

5. BORROWING COSTS

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

6. IMPAIRMENT OF ASSETS

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's (including goodwill) recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

7. INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

8. INVENTORIES

The inventories of the stock items are valued at lower of Cost and Estimated net realizable value. Cost is ascertained on FIFO basis. Management carries out the physical verification of the stock at the end of year/period and based on such exercise quantity, major A class stock item is ascertained. Residual Inventory items are valued best of estimate of the management.

9. REVENUE RECOGNITION

- i) Revenue from sale of goods is recognized on the transfer of title in the goods which generally coincides with dispatch and is stated net of discounts and sales tax.
- ii) Other income is accounted for on accrual basis in accordance with Accounting Standards (AS) 9- "Revenue Recognition".

10. FOREIGN CURRENCY TRANSACTIONS

Transaction denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction and any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of profit and Loss except in case where they relate to acquisition of fixed assets in which case they are adjusted with the carrying cost of such assets.

11. EMPLOYEE BENEFITS

a) Provision for Gratuity :-

The Management has decided to apply pay-as-you-go method for payment of gratuity and not followed Projected Unit Credit method. So amount of gratuity will be accounted in the Profit & Loss A/c in the financial year in which the employee retires and provision will not be made on yearly basis and Gratuity to be expanded on pay as you go method and profit and loss is overstated to that effects.

b) Leave Encashment :-

The Management has decided to apply pay-as-you-go method for payment of leave encashment. So amount of leave encashment will be accounted in the Profit & Loss A/c in the financial year in which the employee retires and provision will not be made on yearly basis.

c) Provident Fund :-

Provident fund is a defined contribution scheme as the company pays fixed contribution at pre-determined rates. The obligation of the company is limited to such fixed contribution. The contributions are charged to Profit & Loss A/c.

12. SEGMENT ACCOUNTING

(i) Business Segment

The Company operates in one Business Segment only and hence no separate information for business segment wise disclosure is required.

(ii) Geographical Segment

The Company operates in two Geographical Segments namely “domestic” and “exports” .

13. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

14. CONTINGENT LIABILITIES AND PROVISIONS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or

b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

15. EARNINGS PER SHARE:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The company has been formed on conversion of partnership Firm into company with paid up equity share capital of ₹ 5,35,19,540 divided into 53,51,954 equity shares of ₹ 10.00 each. The status of the company prior to September 13, 2018 was that of a Partnership Firm. Hence, EPS for all years of reporting period have been calculated by considering the number of shares outstanding post conversion of partnership into company (i.e 53,51,540 shares).

16. CASH FLOW:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

Reconciliation of Restated profit:

Annexure 5

| Particulars | 12.09.2018 | 2017-18 | 2016-17 | 2015-16 |
|--|--------------|---------------|--------------|--------------|
| Net Profit Before Tax as per audited accounts but before adjustments for restated accounts: | 31.09 | 232.80 | 48.37 | 14.14 |
| (Short)/Excess Provision of Gratuity Expense | - | - | - | - |
| (Short)/Excess booking of TDS Paid by the Company | - | - | - | - |
| (Short)/Excess Provision of depreciation on Fixed Assets | - | - | - | - |
| (Short)/Excess Provision of Expenses towards Commission and Royalty, Octroi, Telephone Expenses | - | - | - | - |
| (Short)/Excess Provision of Foreign Exchange Gain/Loss | - | - | - | - |
| Prior Period Expenses Accounted in Respective period | - | - | - | - |
| (Short)/Excess Provision of Interest on Loan | - | - | - | - |
| Amortization of Expenses for Increase in Authorize Share Capital and ROC Expenses | - | - | - | - |
| Non booking of Service Tax on Input services in Profit & Loss Account | - | - | - | - |
| Net Adjustment in Profit and Loss Account | - | - | - | - |
| Adjusted Profit before Tax | 31.09 | 232.80 | 48.37 | 14.14 |
| Net Profit before Tax as per Restated Accounts: | 31.09 | 232.80 | 48.37 | 14.14 |

STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS (Annexure – 6)

| Particulars | (Amt. in Lakhs ₹) | | | |
|--|-------------------|-----------------------------|---------------|---------------|
| | 12.09.2018 | 31.03.2018 ^{As at} | 31.03.2017 | 31.03.2016 |
| Shareholder's Fund | | | | |
| A) Partner's Capital Account | | | | |
| Opening Balance | 516.81 | 316.20 | 203.27 | 376.65 |
| Add: Fresh Capital Introduced During the year | 27.40 | 286.40 | 263.40 | 46.00 |
| Less: Capital withdrawn during the year | 80.56 | 318.59 | 254.45 | 240.94 |
| Add: Remuneration | 45.93 | - | 55.61 | 7.41 |
| Add: Share of Profit from profit of the year | 31.09 | 232.80 | 48.37 | 14.14 |
| Total | 540.67 | 516.81 | 316.20 | 203.27 |
| Reserves and Surplus | | | | |
| A) Surplus in Profit and Loss account | | | | |
| Balance as per the last financial statements | | | | |
| Profit/(Loss) for the Year | 31.62 | 237.32 | 48.31 | 14.61 |
| Less: share of profit transferred to partners' capital A/c | 31.62 | 237.32 | 48.31 | 14.61 |
| Net Surplus in the statement of profit and loss account | - | - | - | - |

STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS (Annexure – 7)

| Particulars | (Amt. in Lakhs ₹) | | | |
|---|-------------------|-----------------------------|------------|------------|
| | 12.09.2018 | 31.03.2018 ^{As at} | 31.03.2017 | 31.03.2016 |
| Long Term Borrowings | | | | |
| Secured Loan | | | | |
| From Bank (Hypo. of Assets Purchased from Bank Finance) | 4.62 | 5.93 | 31.46 | 10.45 |

| | | | | |
|---|-------------|-------------|--------------|--------------|
| Total Long Term Borrowings (Secured) | 4.62 | 5.93 | 31.46 | 10.45 |
| Unsecured Loan | | | | |
| Borrowings from Directors/ Promoter/Promoter Group companies/ Relatives of Promoter/Relatives of Directors | - | - | 38.03 | 68.09 |
| Unsecured Loan from Bank and Others | - | - | 0.00 | 0.00 |
| Total Long Term Borrowings (Unsecured) | - | - | 38.03 | 68.09 |
| Total | 4.62 | 5.93 | 69.49 | 78.54 |
| Short Term Borrowings (Secured) | | | | |
| From Banks | - | - | - | - |
| (Nature of Security - Working Capital Limits are Secured Against Stock and Book debts of the Company) | | | | |
| Total | - | - | - | - |
| The above amount includes: | | | | |
| Secured Borrowings | 4.62 | 5.93 | 31.46 | 10.45 |
| Unsecured Borrowings | - | - | 38.03 | 68.09 |
| Notes | | | | |
| 1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company. | | | | |
| 2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III. | | | | |
| 3. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete. | | | | |
| 4. The terms and conditions and other information in respect of Secured Loans are given in Annexure -B (A) | | | | |
| 5. The terms and conditions and other information in respect of Unsecured Loans are given in Annexure - B (B) | | | | |

ANNEXURE -7.1

| Name of Lender | Nature of Facility | Purp ose | Sanctioned Amount (Rs. In Lakhs) | Securities offered | Re-Payme nt Schedu le | Morator ium | Outstanding amount (Rs. In Lakhs) as on (as per Books) | Outstanding amount (Rs. In Lakhs) as on (as per Books) |
|----------------|--------------------|-------------|-----------------------------------|--------------------|-----------------------------|----------------|--|--|
| | | | | | | | 12.09.2018 | 31.03.2018 |
| - | - | - | - | - | - | - | - | - |

STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS

(Annexure – 8)

(Amt. Rs. in Lakhs)

| Particulars | As on | | | |
|------------------------------------|-------------|-------------|------------|------------|
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Other Long Term Liabilities | | | | |
| Rent Deposit | 3.00 | 3.00 | - | - |
| | 3.00 | 3.00 | - | - |

Statement Of Trade Payables (Annexure 9)

(Amt. Rs. in Lakhs)

| Particulars | As on | | | |
|---|--------------|--------------|--------------|---------------|
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Trade Payables | | | | |
| For Goods & Services | | | | |
| Micro, Small and Medium Enterprises | - | - | - | - |
| Others | 90.32 | 80.20 | 47.31 | 154.56 |
| Total | 90.32 | 80.20 | 47.31 | 154.56 |
| Notes: | | | | |
| 1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company. | | | | |
| 2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III. | | | | |
| 3. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, is not available with the Company as the Company is in the process of Complying the information from its vendors. | | | | |

| Other Current Liabilities (Annexure 10) | | | | |
|--|-------------|-------------|-------------|-------------|
| Particulars | As on | | | |
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Employees PF | 0.13 | 0.31 | 0.33 | 0.29 |
| ESIC Payable | 0.03 | 0.06 | 0.05 | 0.04 |
| TDS on Salary | - | 0.23 | - | - |
| TDS u/s 194C | 0.02 | 0.34 | 0.04 | 0.08 |
| TDS u/s 194J | 0.02 | 0.09 | 0.14 | 0.07 |
| Professional Tax | 0.09 | - | 0.05 | 0.02 |
| Total | 0.28 | 1.03 | 0.61 | 0.50 |
| Short Term Provisions (Annexure 11) | | | | |
| Particulars | As on | | | |
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Electricity Charges Payable | 0.17 | 0.33 | 0.21 | 0.39 |
| Employer's Contribution PF-Payable | 0.32 | 0.32 | 0.34 | 0.30 |
| Employer Contribution ESIC-Payable | 0.16 | 0.16 | 0.14 | 0.10 |
| PF Administration Charges Payable | 0.02 | 0.02 | 0.03 | 0.02 |
| Salary Payable | 2.36 | 7.07 | 4.81 | 3.97 |
| Staff Welfare Exp. Payable | - | 0.07 | 0.11 | 0.15 |
| Telephone Charges Payable | 0.02 | 0.04 | 0.07 | 0.07 |
| Society Charges Payable | - | - | 0.99 | - |
| Credit Card Exp. Payable | - | - | 2.26 | 1.76 |
| Leave Encashment Payable | - | - | - | 0.81 |
| Sweeper Charges Payable | - | - | - | 0.05 |
| Advance Rent Received | 1.25 | - | - | - |
| Citi Bank Credit Card(Hitesh Sadh) | 2.88 | - | - | - |
| Sbi Credit Card (Hitesh Sadh) | 0.06 | - | - | - |
| Total | 7.24 | 8.01 | 8.96 | 7.63 |
| Notes: | | | | |
| 1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company. | | | | |
| 2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III. | | | | |

| Statement of Fixed Assets (Annexure 12) | | | | |
|--|---------------|---------------|---------------|---------------|
| (Amt. Rs. in Lakhs) | | | | |
| Particulars | As on | | | |
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Tangible Assets | | | | |
| Plant & Machinery | 9.85 | 11.50 | 10.17 | 13.47 |
| Furniture's & Fixtures | 10.33 | 9.83 | 7.02 | 8.85 |
| Land & Building | 140.84 | 148.26 | 89.44 | 113.94 |
| Vehicles | 14.85 | 24.75 | 29.11 | 32.39 |
| Computer & Peripherals | 10.28 | 1.30 | 0.94 | 0.31 |
| Sub Total | 186.15 | 195.64 | 136.68 | 168.96 |
| Intangible Assets | | | | |
| Windows 10 Software | 0.39 | - | - | - |
| Sub Total | 0.39 | - | - | - |
| Total | 186.54 | 195.64 | 136.68 | 168.96 |
| Notes: | | | | |
| 1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company. | | | | |
| 2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III. | | | | |

| STATEMENT OF NON-CURRENT INVESTMENTS (Annexure 13) | | | | |
|--|---------------|--------------|-------------|-------------|
| (Amt. Rs. in Lakhs) | | | | |
| Particulars | As on | | | |
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Non Current Investment | | | | |
| Investment in Property | - | - | - | - |
| Others | 101.47 | 99.14 | 0.99 | 3.27 |
| Total | 101.47 | 99.14 | 0.99 | 3.27 |
| Notes: | | | | |
| 1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company. | | | | |
| 2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III. | | | | |

| STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES (Annexure 14) | | | | |
|---|------------|------------|------------|------------|
| (Amt. Rs. in Lakhs) | | | | |
| Particulars | As at | | | |
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Opening Balance (A) | | | | |
| Opening Balance of Deferred Tax (Asset)/ Liability | (4.93) | (0.41) | (0.47) | - |
| Current Year Provision (B) | | | | |
| (DTA)/ DTL on Provision for Employee benefits | (0.54) | (4.52) | 0.06 | (0.47) |
| Closing Balance of Deferred Tax (Asset)/ Liability (A+B) | (5.46) | (4.93) | (0.41) | (0.47) |

Note: The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures IV, I, I and III .

| STATEMENT OF INVENTORIES (Annexure 15) | | | | |
|--|--------------|--------------|--------------|--------------|
| (Amt. Rs. in Lakhs) | | | | |
| Particulars | As on | | | |
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Closing Stock of Stock In Trade | 18.05 | 72.89 | 44.29 | 59.53 |
| Total | 18.05 | 72.89 | 44.29 | 59.53 |
| Note-: | | | | |
| 1. Inventory has been physically verified by the management of the Company at the end of respective year/period | | | | |
| 2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company. | | | | |
| 3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III. | | | | |

| STATEMENT OF TRADE RECEIVABLES (Annexure-16) | | | | |
|--|---------------|--------------|--------------|--------------|
| (Amt. Rs. in Lakhs) | | | | |
| Particulars | As on | | | |
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Outstanding for a period exceeding six months (Unsecured and considered Good) | - | - | - | - |
| From Directors/Promoters/Promoter Group / Associates / Relatives of Directors / Group Companies. | - | - | - | - |
| Others | - | - | - | - |
| Outstanding for a period not exceeding 6 months (Unsecured and considered Good) | 158.12 | 11.42 | 57.29 | 62.75 |
| From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies. | - | - | - | - |
| Others | - | - | - | - |
| Total | 158.12 | 11.42 | 57.29 | 62.75 |

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

| STATEMENT OF CASH & CASH EQUIVALENTS (Annexure-17) | | | | |
|---|------------|------------|------------|------------|
| (Amt. Rs. in Lakhs) | | | | |
| Particulars | As on | | | |
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Cash on Hand (As Certified by Management) | 1.16 | 0.52 | 1.19 | 3.08 |
| Balances with Banks | | | | |
| - In Current Accounts | 93.19 | 127.60 | 34.42 | 41.86 |
| - In Deposit Account | - | - | 92.33 | 85.57 |

| | | | | |
|--------------|--------------|---------------|---------------|---------------|
| Total | 94.35 | 128.12 | 127.93 | 130.50 |
|--------------|--------------|---------------|---------------|---------------|

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

| STATEMENT OF SHORT-TERM LOANS AND ADVANCES (Annexure-18) | | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| (Amt. Rs. in Lakhs) | | | | |
| Particulars | As on | | | |
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Unsecured, Considered Good unless otherwise stated | | | | |
| Advance given to Employees | 1.88 | 1.60 | 0.31 | 0.79 |
| Balance with Govt. Authorities | 38.17 | 32.19 | 5.66 | 3.94 |
| Other Deposits | 0.89 | 0.79 | 0.37 | 0.37 |
| Other Loans & Advances | - | 13.78 | 53.16 | 13.74 |
| Total | 40.94 | 48.36 | 59.50 | 18.84 |
| Notes: | | | | |
| 1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company. | | | | |
| 2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III. | | | | |

| STATEMENT OF OTHER CURRENT ASSETS (Annexure-19) | | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| (Amt. Rs. in Lakhs) | | | | |
| Particulars | As on | | | |
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Other current Assets | | | | |
| Interest Receivable | - | - | - | - |
| Deposit with Government Authority | - | 7.28 | - | 0.00 |
| Other | 41.19 | 47.22 | 15.48 | 0.18 |
| Total | 41.19 | 54.50 | 15.48 | 0.18 |
| 1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company. | | | | |
| 2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III. | | | | |
| 3. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete. | | | | |

| STATEMENT OF REVENUE FROM OPERATIONS (Annexure – 20) | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| (Amt. Rs. in Lakhs) | | | | |
| Particulars | As on | | | |
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |

| | | | | |
|---|---------------|---------------|---------------|---------------|
| (i) Turnover of Products Manufactured by the Issuer Company | 418.55 | 835.42 | 805.87 | 888.28 |
| (ii) Turnover of Products Traded by the Issuer Company | - | - | - | - |
| *(iii) Turnover in respect of Products not Normally dealt in by the Issuer Company but included in (ii) above | - | - | - | - |
| (iv) Turnover of sale of services | 3.69 | 8.82 | - | - |
| Total | 422.24 | 844.24 | 805.87 | 888.28 |

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

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

| STATEMENT OF OTHER INCOME | | | | Annexure 21 |
|--|--------------------|---------------|---------------|----------------------|
| (Amt. in Lakhs Rs.) | | | | |
| Particulars | For the Year Ended | | | |
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Related and Recurring Income: | | | | |
| Interest Income | 3.31 | 7.41 | 7.72 | 7.67 |
| Duty Drawback | 8.11 | 48.27 | 117.69 | 32.47 |
| Exchange Rate Difference | 5.04 | 23.29 | 2.92 | 1.47 |
| Discount | (0.39) | 0.88 | 3.10 | 0.72 |
| Dividend | - | - | - | 2.04 |
| Total | 16.08 | 79.84 | 131.43 | 44.38 |
| Related and Non Recurring Income: | | | | |
| Sundry balances written back | - | - | 1.46 | 1.89 |
| Rent | 6.25 | 7.50 | - | - |
| Other Income | 14.58 | 34.90 | - | - |
| Total | 20.83 | 42.40 | 1.46 | 1.89 |
| Total | 36.90 | 122.24 | 132.89 | 46.27 |
| EXCEPTIONAL ITEM | | | | Annexure 21.1 |
| Particulars | For the Year Ended | | | |
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Short Term Capital Gain | - | 156.02 | 1.23 | 2.28 |
| Total | - | 156.02 | 1.23 | 2.28 |

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

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

| PURCHASES OF STOCK-IN-TRADE (Annexure-22) | | | | |
|---|---|--|--|--|
| (Amt. Rs. in Lakhs) | | | | |
| Particulars | For the period 1st April'18 to 12th September'18 | For the year ended 31 st March 2018 | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
| Purchases | 177.28 | 524.60 | 413.25 | 543.53 |
| Total | 177.28 | 524.60 | 413.25 | 543.53 |
| CHANGES IN INVENTORIES OF STOCK-IN-TRADE (Annexure-23) | | | | |
| (Amt. Rs. in Lakhs) | | | | |
| Particulars | For the period 1st April'18 to 12th September'18 | For the year ended 31 st March 2018 | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
| <u>Inventories at the end of the year</u> | | | | |
| Stock-In-Trade | 18.05 | 72.89 | 44.29 | 59.53 |
| <u>Inventories at the beginning of the year</u> | | | | |
| Stock-In-Trade | 72.89 | 44.29 | 59.53 | 45.00 |
| Net(Increase)/decrease | 54.84 | -28.60 | 15.25 | -14.53 |
| EMPLOYEE BENEFITS EXPENSES (Annexure 24) | | | | |
| (Amt. Rs. in Lakhs) | | | | |
| Particulars | For the period 1st April'18 to 12th September'18 | For the year ended 31 st March 2018 | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
| a) Salaries, Bonus, PF & ESIC | 38.24 | 83.14 | 61.62 | 49.37 |
| b) Partner's Remuneration | 45.93 | 18.00 | 55.61 | 7.41 |
| C) Conveyance | 2.08 | 4.26 | 3.42 | 3.00 |
| d) Other Employee Benefit Expenses | 6.51 | 11.14 | 6.70 | 7.04 |
| Total | 92.76 | 116.54 | 127.34 | 66.82 |
| FINANCE COST (Annexure 25) | | | | |
| (Amt. Rs. in Lakhs) | | | | |
| Particulars | For the period 1st April'18 to 12th September'18 | For the year ended 31 st March 2018 | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
| Interest on Loan | 0.39 | 1.03 | 1.24 | 50.88 |
| Bank Charges | 0.19 | 8.57 | 7.70 | 4.19 |
| Total | 0.58 | 9.60 | 8.94 | 55.07 |
| DEPRECIATION AND AMORTISATION (Annexure 26) | | | | |
| (Amt. Rs. in Lakhs) | | | | |

| Particulars | For the period 1st April'18 to 12th September'18 | For the year ended 31 st March 2018 | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
|--|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Depreciation Expense | 11.03 | 20.20 | 17.75 | 21.17 |
| Amortisation of Expenses | - | - | - | - |
| Total | 11.03 | 20.20 | 17.75 | 21.17 |
| OTHER EXPENSES (Annexure 27) | | | | |
| (Amt. Rs. in Lakhs) | | | | |
| Particulars | For the period 1st April'18 to 12th September'18 | For the year ended 31 st March 2018 | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
| Auditor's Remuneration | 0.70 | 0.70 | 0.65 | 0.60 |
| Bad Debts | 8.00 | - | - | 8.72 |
| Business Promotion Expenses | 1.40 | 3.88 | 2.15 | 1.28 |
| Cloth Sample | 0.58 | - | 0.49 | 0.02 |
| Commission | - | - | - | 0.86 |
| Discount | - | - | 4.30 | - |
| Electricity Charges | 2.48 | 5.86 | 5.67 | 4.80 |
| Exhibition Expenses | - | 0.62 | 3.96 | 3.63 |
| Freight & Transport | 9.78 | 31.29 | 24.42 | 26.50 |
| Labour Charges | 41.15 | 147.19 | 217.74 | 155.04 |
| License Renewal Charges | - | - | - | - |
| Legal and Professional fees | 3.62 | 6.19 | 7.93 | 6.11 |
| Loss On Sale Of Car | - | - | - | 0.30 |
| Lab Testing | 0.85 | 0.97 | - | - |
| Motor Car Expenses | 0.40 | 2.97 | 2.33 | 1.70 |
| Miscellaneous Expenses | 5.86 | 6.69 | 2.22 | 2.18 |
| News & Periodical Expenses | 0.11 | - | - | - |
| Office Expenses | 2.75 | 3.63 | 2.13 | 0.93 |
| Printing & Stationery | 0.35 | 1.05 | 1.40 | 1.24 |
| Rent Paid | 0.75 | 1.80 | 1.80 | - |
| Repair & Maintenance Expenses | 2.92 | 5.19 | 2.41 | 4.84 |
| Society Charges | 2.26 | 2.70 | 5.44 | 2.96 |
| Service Charges | 0.03 | - | 0.80 | 0.85 |
| Service Tax Expense | - | 0.51 | 3.21 | 2.81 |
| Telephone Charges | 0.40 | 2.19 | 2.10 | 1.75 |
| Travelling Expenses | 7.15 | 14.04 | 16.37 | 23.51 |
| Vat Expenses | - | 0.00 | 1.59 | - |
| Custom Duty | 0.03 | 9.89 | - | - |
| Total | 91.57 | 247.35 | 309.09 | 250.63 |
| PAYMENT TO AUDITORS AS: (Annexure 27.1) | | | | |
| (Amt. Rs. in Lakhs) | | | | |
| Particulars | For the period 1st April'18 to 12th September'18 | For the year ended 31 st March 2018 | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 |
| Payment to auditors | | | | |

| | | | | |
|----------------------------------|-------------|-------------|-------------|-------------|
| a. Statutory Audit fees | 0.70 | 0.70 | 0.65 | 0.60 |
| b. for taxation matters | | | | |
| c. for company law matters | | | | |
| d. for management services | | | | |
| e. for other services | | | | |
| f. for reimbursement of expenses | | | | |
| Total | 0.70 | 0.70 | 0.65 | 0.60 |

OTHER FINANCIAL INFORMATION

| STATEMENT OF MANDATORY ACCOUNTING RATIOS (Annexure-28) | | | | |
|---|------------|------------|------------|------------|
| (Amt. Rs. in Lakhs, except per share data) | | | | |
| Particulars | As at | | | |
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Net Worth (A) | 540.67 | 516.81 | 316.20 | 203.27 |
| Restated Profit after tax | 31.62 | 237.32 | 48.31 | 14.61 |
| Less: Prior period item | - | - | - | - |
| Adjusted Profit after Tax (B) | 31.62 | 237.32 | 48.31 | 14.61 |
| Number of Equity Share outstanding as on the End of Year/Period (C) | 53.52 | 51.68 | 31.62 | 20.33 |
| Weighted average no of Equity shares at the time of end of the year (D) | 53.52 | 51.68 | 31.62 | 20.33 |
| Current Assets (E) | 352.65 | 315.28 | 304.50 | 271.80 |
| Current Liabilities (F) | 97.83 | 89.25 | 56.89 | 162.69 |
| Face Value per Share | 10.00 | 10.00 | 10.00 | 10.00 |
| Restated Basic and Diluted Earning Per Share (₹) (B/D) | 0.59 | 4.59 | 1.53 | 0.72 |
| Return on Net worth (%) (B/A) | 5.85% | 45.92% | 15.28% | 7.19% |
| Net asset value per share (A/D) (Face Value of ₹ 10.00 Each) | 10.10 | 10.00 | 10.00 | 10.00 |
| Current Ratio (E/F) | 3.60 | 3.53 | 5.35 | 1.67 |
| | | | | |
| Note: | | | | |
| <p>1) The ratios have been computed as below:</p> <p>(a) Basic earnings per share (₹) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year</p> <p>(b) Diluted earnings per share (₹) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS</p> <p>(c) Return on net worth (%) - : Net profit after tax (as restated) / Net worth at the end of the period or year</p> <p>(d) Net assets value per share - : Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year</p> <p>2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/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 total number of days during the period/year.</p> <p>3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).</p> <p>4) The figures disclosed above are based on the standalone restated summary statements of the Group.</p> <p>5) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.</p> <p>6) The Company has been formed from conversion of partnership Firm into company vide a certificate of incorporation dated October 20, 2017. The company has been converted with paid up equity share capital of Rs 4,19,25,500 divided into 41,92,550 equity shares of Rs 10 each The status of the Company prior to Oct 20, 2017 was a a partnership firm. Hence, EPS and NAV per share for all the years has been calculated by considering the number of shares outstanding post conversion of Partnership Firm into Company (i.e. 41,92,550 shares) in all years.</p> <p>7) The Company has allotted 2,00,000 No. of Equity shares having Face Value of Rs 10 Each on Preferential basis at ₹ 30 each (including of Share Premium of ₹20 Each). Therefore the Adjusted NAV after considering such allotment is ₹8.50 per share. Since the allotment is after 20th October 2017, therefore EPS for the period ended 20th October 2017 and earlier year ended are not affected by the same.</p> | | | | |

| STATEMENT OF RELATED PARTY TRANSACTION (Annexure 29) | | | | | |
|---|---|--------------------|-----------------------------------|------------|------------|
| | | | | | |
| a) | Names of the related parties with whom transaction were carried out during the years and description of relationship: | | | | |
| 1) | Company/entity owned or significantly influenced by directors/ KMP/Partners | | Mr. Shrawankumar Sadh | | |
| | | | Mrs. Swarnalata S Sadh | | |
| | | | Mr. Hitesh Sadh | | |
| | | | Mr. Sohit Sadh | | |
| | | | Mrs. Vijaya Sadh | | |
| | | | Mrs. Purti Sadh | | |
| | | | M/s Sehej Saraa Fashion Pvt. Ltd. | | |
| 2) | Key Management Personnel's/Directors: | | Ms. Sneha Sadashiv Parab (CFO) | | |
| | | | CS - Ms. Bijal Sunil Shah | | |
| 3) | Relative of Key Management Personnel's/Director/Partners: | | Mrs. Prerna Sadh | | |
| 1. Transaction with Companies/Entity owned or Significantly influenced by Director/KMP | | | | | |
| (Amt. in Lakhs) | | | | | |
| Sr. No. | Nature of Transaction | Period/ Year ended | | | |
| | | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| A | Shrawankumar Sadh | | | | |
| | Opening Balance {Cr./{Dr}} | 195.32 | 189.16 | 118.14 | 166.81 |
| | Amount Paid | 15.18 | 125.75 | 64.12 | 105.48 |
| | Amount Received | 0.38 | 28.90 | 80.01 | 46.00 |
| | Share of Profit from M/s S K International | 13.68 | 103.01 | 21.77 | 6.36 |
| | Remuneration Credited to Partner Capital | 0.51 | - | 33.36 | 4.45 |
| | Closing Balance {Cr./{Dr}} | 194.71 | 195.32 | 189.16 | 118.14 |
| B | Swarnalata S Sadh | | | | |
| | Opening Balance {Cr./{Dr}} | 73.02 | 159.06 | 166.64 | 182.23 |
| | Amount Paid | 4.18 | 169.32 | 12.42 | 17.00 |
| | Amount Received | | 60.00 | - | - |
| | Share of Profit from M/s S K International | 3.11 | 23.28 | 4.84 | 1.41 |
| | Remuneration Credited to Partner Capital | 0.77 | - | - | - |
| | Closing Balance {Cr./{Dr}} | 72.72 | 73.02 | 159.06 | 166.64 |
| C | Hitesh Sadh | | | | |
| | Opening Balance {Cr./{Dr}} | 238.44 | (32.44) | (81.99) | 27.61 |
| | Amount Paid | 15.19 | 28.03 | 74.46 | 118.92 |
| | Amount Received | 0.39 | 195.90 | 80.00 | - |
| | Share of Profit from M/s S K International | 13.68 | 103.01 | 21.77 | 6.36 |
| | Remuneration Credited to Partner Capital | 0.36 | | 22.24 | 2.96 |
| | Closing Balance {Cr./{Dr}} | 237.68 | 238.44 | (32.44) | (81.99) |
| D | Sohit Sadh | | | | |
| | Opening Balance {Cr./{Dr}} | 1.37 | - | - | - |
| | Amount Paid | 0.12 | - | - | - |
| | Amount Received | | 0.50 | - | - |

| | Share of Profit from M/s S K International | 0.12 | 0.87 | - | - |
|---|--|--------------------|------------|------------|------------|
| | Remuneration Credited to Partner Capital | | | - | - |
| | Closing Balance {Cr./{Dr}} | 1.37 | 1.37 | - | - |
| E | Vijaya Sadh | | | | |
| | Opening Balance {Cr./{Dr}} | 0.97 | - | - | - |
| | Amount Paid | 0.12 | - | - | - |
| | Amount Received | | 0.10 | - | - |
| | Share of Profit from M/s S K International | 0.12 | 0.87 | - | - |
| | Remuneration Credited to Partner Capital | | | - | - |
| | Closing Balance {Cr./{Dr}} | 0.97 | 0.97 | - | - |
| F | Purti Sadh | | | | |
| | Opening Balance {Cr./{Dr}} | 1.37 | - | - | - |
| | Amount Paid | 0.12 | - | - | - |
| | Amount Received | | 0.50 | - | - |
| | Share of Profit from M/s S K International | 0.12 | 0.87 | - | - |
| | Remuneration Credited to Partner Capital | | | - | - |
| | Closing Balance {Cr./{Dr}} | 1.37 | 1.37 | - | - |
| 2. Transaction with Key Management Personnel/Directors | | | | | |
| (Amt. in Lakhs) | | | | | |
| Sr. No. | Nature of Transaction | Period/ Year ended | | | |
| | | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| A | Mr. Shrawankumar Sadh | | | | |
| | Remuneration | 0.51 | 10.80 | 33.36 | 4.45 |
| B | Mr. Hitesh Sadh | | | | |
| | Remuneration | 0.36 | 7.20 | 22.24 | 2.96 |
| C | Mrs. Swarnalata Sadh | | | | |
| | Remuneration | 0.77 | - | - | - |
| D | M/s Sehej Saraa Fashion Pvt. Ltd. | | | | |
| | Purchases | 89.36 | - | - | - |
| | Sales | - | - | - | 0.04 |
| E | M/s Aastha Prints | | | | |
| | Purchases | - | 30.75 | 13.53 | 8.19 |
| | Labour Charges | - | - | 19.83 | 21.49 |
| F | M/s Trends & Fashion | | | | |
| | Labour Charges | 0.29 | - | - | - |
| 3. Transaction with Relatives of Key Management Personnel / Director | | | | | |
| A | Mrs. Purti Sadh | | | | |
| | Salary | - | 2.88 | 3.90 | - |
| B | Mrs. Prerna Sadh | | | | |
| | Salary | - | 3.14 | - | - |

CAPITALISATION STATEMENT

Annexure – 30

(Amt Rs. in Lakhs)

| Particulars | Pre Issue | Post Issue |
|--|---------------|---------------|
| | 12.09.2018 | |
| Debt | | |
| Short Term Debt | - | - |
| Long Term Debt | 4.62 | 4.62 |
| Total Debt | 4.62 | 4.62 |
| Shareholders' Fund (Equity) | | |
| Share Capital (Partners Capital)* | 540.67 | 733.20 |
| Reserves & Surplus | - | 198.00 |
| Less: Miscellaneous Expenses not w/off | - | - |
| Total Shareholders' Fund (Equity) | 540.67 | 931.20 |
| Long Term Debt/Equity | 0.01 | 0.00 |
| Total Debt/Equity | 0.01 | 0.00 |
| Notes: | | |
| 1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes instalment of term loans repayable within 12 months. | | |
| 2. Long term Debts represent debts other than Short term Debts as defined above but includes instalment of term loans repayable within 12 months grouped under other current liabilities. | | |
| 3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 12/09/2018. | | |
| *4. Pre Issue Share Capital (Partners Capital) is restated Balance of Partners Capital account and it is not matching with the Share Capital of the Converted Company due to impact of restatement up to 12th September 2018 i.e. 535.20 lakhs (Divided into 5351954 shares of Rs. 10.00 each) | | |
| 5. post Issue data of short term debts, long term, reserves and surplus are based on pre-issue figures. | | |

(Amt. Rs. in Lakh)

STATEMENT OF TAX SHELTER (Annexure 31)

(Amt. Rs. in Lakh)

| Particulars | As at | | | |
|---|------------|------------|------------|------------|
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| A | | | | |
| Profit before taxes as restated | 31.09 | 232.80 | 48.37 | 14.14 |
| - Taxable at normal Rate | 31.09 | 232.80 | 47.14 | 11.86 |
| - Taxable at special Rate | - | - | 1.23 | 2.28 |
| B | | | | |
| Normal Tax Rate Applicable % | 30.90% | 34.61% | 30.90% | 30.90% |
| Special Tax Rate Applicable % | 15.45% | 15.45% | 15.45% | 15.45% |
| C | | | | |
| Tax Impact (A*B) | 9.61 | 80.57 | 14.76 | 4.02 |
| Adjustments: | | | | |
| D | | | | |
| Permanent Differences | | | | |
| Donation | - | - | - | 0.15 |
| Expenses Disallowed under Section 14A | - | - | - | 0.11 |
| Interest on late payment of ESIC | - | - | 0.13 | - |
| Total Permanent Differences | - | - | 0.13 | 0.26 |
| E | | | | |
| Timing Difference | | | | |
| Preliminary expense written off Allowable under section 35D | | | | |
| Difference in Depreciation | - | 11.90 | (0.21) | 0.72 |

| | | | | | |
|----------|---|-------------|--------------|---------------|-------------|
| | Provision for Gratuity/Leave Encashment | 1.73 | 1.17 | - | 0.81 |
| | Disallowance under section 40a Tds not deducted | - | - | - | - |
| | Total Timing Differences | 1.73 | 13.07 | (0.21) | 1.53 |
| | Unabsorbed Loss/(Carried Forward Loss Set off) | - | - | - | - |
| F | Net Adjustment (F) = (D+E) | 1.73 | 13.07 | -0.08 | 1.79 |
| G | Tax Expenses/ (Saving) thereon (F*B) | 0.54 | 4.52 | -0.02 | 0.55 |
| H | Tax Liability, After Considering the effect of Adjustment (C +G) | 10.14 | 85.09 | 14.73 | 4.57 |
| I | Deferred Tax | (0.54) | (4.52) | 0.06 | (0.47) |
| J | Total Tax expenses (H+I) | 9.61 | 80.57 | 14.80 | 4.10 |

Notes:

1. The aforesaid statement of tax shelters has been prepared as per the restated summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax return respective years stated above.

2. The figures for the period ended September 12, 2018 are based on the provisional computation of Total Income prepared by the Company.

3. The effect of Tax Shelter i.e. short/excess provision for Income Tax has not been given effect in Annexure II - Restated Statement of Profit and Loss account. Provision for Income Tax given in Annexure II is based on the Income Tax Return/Audited Financial Statement only.

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

RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES (Annexure 32)

(Amt. Rs. in Lakhs)

| Particulars | As at | | | |
|--|--------------|--------------|--------------|--------------|
| | 12.09.2018 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| Contingent liabilities in respect of: | | | | |
| Claims against the company not acknowledged as debts | - | - | - | - |
| Guarantees given on Behalf of the Directors loan | - | - | - | - |
| Guarantees given on Behalf of the Subsidiary Company | - | - | - | - |
| Other moneys for which the company is contingently liable | - | - | - | - |
| Income tax Outstanding Demand AY 2007-08 (Income Tax) | 92.42 | 92.42 | 92.42 | 92.42 |
| TDS Defaults (Prior Years) | - | - | - | - |
| TDS Defaults (FY 2013-14) | - | - | - | - |
| TDS Defaults (FY 2014-15) | - | - | - | - |
| TDS Defaults (FY 2015-16) | - | - | - | - |
| TDS Defaults (FY 2016-17) | - | - | - | - |
| TDS Defaults (FY 2017-18) | - | - | - | - |
| Commitments (to the extent not provided for) | | | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - | - | - |
| Uncalled liability on shares and other investments partly paid | - | - | - | - |
| Other commitments | - | - | - | - |
| Total | 92.42 | 92.42 | 92.42 | 92.42 |

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements which is included in this Draft Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Financial Statements, as restated for period ended September 12, 2018 and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 including the related notes and reports, included in this Draft Prospectus is prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited statutory financial statements. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under sections titled “Risk Factors” and “Forward Looking Statements” beginning on pages 21 and 14, respectively of this Draft Prospectus.

Our FY ends on March 31 of each year. Accordingly, all references to a particular FY are to the 12 months ended March 31 of that year.

Business Overview

We were established in year 1991 as partnership firm in international exports of scarves and beachwear. Our Company has created a distinct identity of its own in the International business domain and mainly caters to European market i.e. Spain, Germany, France, Netherlands, UK and started selling in US market since 2018 onwards and also entered into the domestic market. Our Company is a manufacturer and exporter in Scarves and Beachwear based in Mumbai, India. Our Company is engaged in manufacturing and marketing of women and mens apparels like scarves, shawls, sarongs, headband & bandanas and Beachwear garments in all qualities like silk, viscose, cotton, polyester & wool and several blends.

From year 2018, our Company entered into manufacturing for several Retail brands in the domestic market by creating new designs as per local market for its main core product scarves. We also entered in the ethnic wear category by developing trendy duppatas at affordable prices catering women who look for fashionable styles at affordable prices.

We are also gearing ourselves for manufacturing and trading of Indian ethnic wears offering wide range of ethnic wears for women. Our Company believes that fashion is for all women and hence, took a challenge to provide the affordable range of fashionable garments to the women in international and domestic market. We have also entered into the Kids segment with our own domestic brand Sand Kastle for Beachwear/Holiday wear garments, and fashion accessories. Our raw material sourcing is from all over India thus sourcing provides a huge variety of fabrics and trims at best possible prices thus keeping our costs low. We use modern machinery for our manufacturing requirements, our Company has never shied away from purchasing any modern equipment to maintain the high standards that we have set for ourselves. This enables us to reduce the time spent in completing your order. With our own design team, we have endeavoured to introduce new styles, fits, finishes. We have clean in house production facilities like sewing, cutting, ironing, finishing, quality control, packing & dispatch.

A major portion of our product is manufactured at our in-house factory at Virar (Palghar). We manufacture products on make to order basis as per current fashion forecast for several big brands in International & domestic markets. We serve our customers through the channels of wholesale, retail and e-commerce in domestic market. We are also registered as member exporter with Apparel Export Promotion Council.

Significant developments subsequent to the last financial year

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

For details of loan, kindly refer Financial Indebtedness on Page no.183 of this Draft Prospectus.

For details of KMPs, refer our Management on Page no.127 of this Draft Prospectus.

Factors affecting our results of operations

Our Company's future results of operations could be affected potentially by the following factors:

- Company's ability to successfully implement our growth strategy;
- Political Stability of the Country;

Discussion on Results of Operation

The following discussion on results of operations should be read in conjunction with the Restated Financial Results of our Company for the years ended March 31, 2016, 2017 and 2018 and Restated Financial Statement as on September 12, 2018.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details kindly refer section titled "*Financial Information*" on page 147 of this Draft Prospectus.

Our Significant Accounting Policies

For Significant accounting policies please refer Significant Accounting Policies beginning under section titled "*Financial Statements as Restated*" beginning on page no. 147 of this Draft Prospectus.

Overview of revenue and expenditure

Revenue and Expenditure

Total Revenue: Our total revenue comprises of revenue from operations and other income.

Revenue from operations: Revenue from sale of goods is recognized on the transfer of title in the goods which generally coincides with dispatch and is stated net of discounts and sales tax.

Other Income: Other income is accounted for on accrual basis in accordance with Accounting Standards (AS) 9- "Revenue Recognition.

Expenses: Our expenses comprise of Purchase of Traded Goods, changes in inventory of stock in trade, employee benefit expenses, Finance cost, Depreciation and amortisation expenses and other expenses.

Purchase of Traded Goods mainly comprises of material purchased..

Changes in inventory of stock in trade consist of change in our inventory of stock in trade as at the beginning and end of the year.

Our employee benefit expense consists of salary, wages & bonus, director's remuneration, contribution to P.F & other funds, workmen & staff welfare expenses and provision for gratuity.

Our finance costs comprises of interest on working capital bank finance, interest on vehicle finance, interest on unsecured loans and bank charges & commission.

Depreciation and amortisation expenses: Tangible and intangible assets are depreciated over periods corresponding to their estimated useful lives. Depreciation includes depreciation charged on tangible and intangible assets.

Other expenses: Other expenses mainly include business promotion Expenses, repairs & maintenance, consultancy charges, electricity expenses, office expenses, travelling and conveyance, statutory payments etc.

Results of Operations for the Quarter ended September 12, 2018, FY 2018, 2017 and 2016
(Rs. in Lakhs)

| Sr No. | Particulars | As at September 12, 2018 | % of total Income | For the year ended March 31, | | | | | |
|--------|--|--------------------------|-------------------|------------------------------|-------------------|--------|-------------------|--------|-------------------|
| | | | | 2018 | % of total Income | 2017 | % of total Income | 2016 | % of total Income |
| I. | Revenue from operations | 422.24 | 91.96% | 844.24 | 75.21% | 805.87 | 85.73% | 888.28 | 94.82% |
| II. | Other income | 36.90 | 8.04% | 278.26 | 24.79% | 134.13 | 14.27% | 48.55 | 5.18% |
| III | Total Revenue (I + II) | 459.14 | 100.00% | 1,122.49 | 100.00% | 940.00 | 100.00% | 936.83 | 100.00% |
| IV | Expenses: | | | | | | | | |
| | Purchases of Traded Goods | 177.28 | 38.61% | 524.60 | 46.74% | 413.25 | 43.96% | 543.53 | 58.02% |
| | Changes in Inventories of stock-in-trade | 54.84 | 11.94% | -28.60 | -2.55% | 15.25 | 1.62% | -14.53 | -1.55% |
| | Employee Benefit Expenses | 92.76 | 20.20% | 116.54 | 10.38% | 127.34 | 13.55% | 66.82 | 7.13% |
| | Finance costs | 0.58 | 0.13% | 9.60 | 0.86% | 8.94 | 0.95% | 55.07 | 5.88% |
| | Depreciation and amortization expense | 11.03 | 2.40% | 20.20 | 1.80% | 17.75 | 1.89% | 21.17 | 2.26% |
| | Other expenses | 91.57 | 19.94% | 247.35 | 22.04% | 309.09 | 32.88% | 250.63 | 26.75% |
| | Total expenses | 428.06 | 93.23% | 889.69 | 79.26% | 891.62 | 94.85% | 922.69 | 98.49% |
| V | Profit before exceptional and extraordinary items and tax (III-IV) | 31.09 | 61.87% | 232.80 | 20.74% | 48.37 | 5.15% | 14.14 | 1.51% |
| VI | Exceptional items | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VII | Profit before extraordinary items and tax (V - VI) | 31.09 | 61.87% | 232.80 | 20.74% | 48.37 | 5.15% | 14.14 | 1.51% |
| VIII | Extraordinary Items- | - | 0 | - | 0 | - | 0 | - | 0 |
| IX | Profit before tax (VII-VIII) | 31.09 | 61.87% | 232.80 | 20.74% | 48.37 | 5.15% | 14.14 | 1.51% |
| X | Tax expense: | | | | | | | | |
| | (1) Current tax | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| | (2) Short/(Excess) Provision of Earlier Year | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| | (3) Deferred tax | -0.54 | -0.05% | -4.52 | -0.40% | 0.06 | 0.01% | -0.47 | -0.05% |
| XI. | Profit (Loss) for the period from continuing operations (VII-VIII) | 31.62 | 2.82% | 237.32 | 21.14% | 48.31 | 5.14% | 14.61 | 1.56% |
| XII. | Profit/(loss) from discontinuing operations | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| XIII. | Tax expense of discontinuing operations | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| XIV. | Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| XV. | Profit (Loss) for the period (XI + XIV) | 31.62 | 2.82% | 237.32 | 21.14% | 48.31 | 5.14% | 14.61 | 1.56% |

FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE PERIOD ENDED 12th SEPTEMBER

Total Income: Our Company's total income during the period ended Sept 12th, 2018 was ₹ 459.14 Lacs. The revenue from operations was ₹ 422.24 Lacs which comprised 91.96% of company's total income for the period ended Sept 30th, 2018.

Total Expenses: The total expenditure during the year ended Sept 12th, 2018 was ₹ 428.06 Lacs. The total expenditure represents 93.23% of the total revenue. The total expenses are represented by Purchases of Traded Goods, Change in Inventories of stock-in trade, Employee Benefits Expense, Finance Cost, Depreciation and Amortization Expense and other expenses etc. The main constituent of total expenditure is Purchases of traded goods, which is ₹ 177.28 Lacs.

Profit/ (Loss) after tax: The restated net profit during the year ended Sept 12th, 2018 was ₹ 31.09 Lacs representing 2.82% of the total revenue of our Company.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2018 WITH FISCAL 2017

Total Revenue: During the FY 2017-18 the total revenue of the company increased to ₹ 1122.49 Lacs as against ₹ 940.00 Lacs in the FY 2016-17, representing an increase of 19.41 % from previous year. This increase was mainly due to increase in revenue from operations and other income.

Other Income: Other income of the Company for the FY 2017-18 was ₹ 278.26 Lacs in comparison with ₹ 134.13 Lacs for FY 2016-17, representing an increase of 107.46% from the FY 2016-17.

Total Expenses: The total expenditure for the FY 2017-18 decreased to ₹ 889.69 Lacs from ₹ 891.62 Lacs, representing decrease of 0.22 % from the FY 2016-17. This decrease was mainly due to decrease mainly in other expenses and change in inventories of stock in trade.

Purchases of Traded Goods: Purchase of Stock-in-Trade for the FY 2017-2018 has increased to ₹ 524.60 Lacs from ₹ 413.25 Lacs representing increase of 26.94 % from FY 2016-2017. Purchase of Traded Goods is increased due to decrease in purchases of stock in trade and custom duties

Change in Inventories: The inventories for the FY 2017-2018 have been decreased to ₹ -28.60 Lacs from ₹ 15.25 lacs representing decrease by 287.60 % from FY 2016-2017

Employee Benefits Expense: The Employee Benefits Expense for the FY 2017-2018 have been decreased to ₹116.54 Lacs from ₹ 127.34 Lacs representing decrease by 8.48 % from FY 2016-2017 due to decrease in remuneration.

Finance Expenses: The finance expense for FY 2017-18 has been increased to ₹ 9.60 Lacs from ₹ 8.94 Lacs representing increase by 7.40% from FY 2016-2017. Finance Costs has increased mainly due to increase in Interest and bank charges, as we needed more working capital

Depreciation and Amortization Expense: The Depreciation and Amortization Expense for FY 2017-18 has been increased to ₹. 20.20 Lacs from ₹ 17.75 Lacs representing increase by 13.80% from FY 2016-2017. Increase in Depreciation is due to increase in depreciation on additions to plant of machinery.

Other Expense: The Other Expense for FY 2017-18 has been decreased to ₹. 247.35 Lacs from ₹ 309.09 Lacs representing decrease by 19.97 % from FY 2016-2017. Other Expenses have decreased mainly due Rates & Taxes, Freight Outward, and Consultancy Charges etc

Profit/ (Loss) Before Tax: Profit before and Tax for FY 2017-18 has been increased to ₹. 232.80 Lacs from ₹ 48.37 Lacs representing increase by 381.28 % from FY 2016-2017. Profit before and Tax has increase due to comparative increase in revenue than expenses and sell of property.

Profit/ (Loss) After Tax: Profit after Tax for FY 2017-18 has been increased to ₹. 237.32 Lacs from ₹ 48.31 Lacs representing increase by 391.29 % from FY 2016-2017. Profit after Tax has increased due to comparative increase in revenue than expenses and sell of property.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2017 WITH FISCAL 2016

Total Revenue: During the FY 2016-17 the total revenue of the company increased to ₹ 940.00 Lacs as against ₹ 936.83 Lacs in the FY 2015-16, representing an increase of 0.34 % of the total revenue. This increase was mainly due to sale of products

Other Income: Other income of the Company for the FY 2016-17 was ₹ 134.13 Lacs in comparison with ₹ 48.55 Lacs for FY 2015-16.

Total Expenses: The total expenditure for the FY 2016-17 decreased to ₹ 891.62 Lacs from ₹ 922.69 Lacs, representing a decrease of 3.37 % from the FY 2015-16. This decrease was mainly due to decrease of other expenses.

Purchase of Traded Goods: Purchase of Traded Goods for the FY 2016-2017 has decreased to ₹ 413.25 Lacs from ₹ 543.53 Lacs representing decrease of 23.97 % from FY 2015-2016. Purchase of Traded Goods is decreased due to decrease in purchases of stock in trade and custom duties

Change in Inventories of stock-in trade: The inventories for the FY 2016-2017 have been increased to ₹15.25 Lacs from ₹ -14.33 lacs representing increase by 204.93% from FY 2015-2016.

Employee Benefits Expense: The Employee Benefits Expense for the FY 2016-2017 has been increased by ₹ 127.34 Lacs from ₹ 66.82 representing increase by 90.57 % from FY 2015-2016. Increase is due to remuneration

Finance Expenses: The finance expense for FY 2016-17 has been decreased to ₹ 8.94 Lacs from ₹ 55.07 Lacs representing decrease by 83.76 % from FY 2015-2016. Finance Costs has decreased mainly due to decrease in installment Interest and bank charges.

Depreciation and Amortization Expense: The Depreciation and Amortization Expense for FY 2016-17 has been decreased to ₹. 17.75 Lacs from ₹ 21.17 Lacs representing decrease by 16.15 % from FY 2015-2016.

Other Expense: The Other Expense for FY 2016-17 has been increased to ₹. 309.09 Lacs from ₹ 250.63 Lacs representing increase by 23.33 % from FY 2015-2016. Other Expenses have increased mainly due Rates & Taxes, Freight Outward, and Consultancy Charges etc

Profit/ (Loss) Before Tax: Profit before and Tax for FY 2016-17 has been increased to ₹. 48.37 Lacs from ₹ 14.14 Lacs from FY 2015-2016. Profit before and Tax has increase due to comparative increase in revenue than expenses.

Profit/ (Loss) After Tax: Profit after Tax for FY 2016-17 has been increased to ₹. 48.31 Lacs from ₹ 14.61 Lacs from FY 2015-16. Profit after Tax has increased due to comparative increase in revenue than expenses

Related Party Transactions

For further information please refer to the section titled “*Financial Statements as Restated*” on page 147 of this Draft Prospectus.

Financial Market Risks

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

Interest Rate Risk

As on today we do have interest bearing borrowing from Bank/Financial Institutions/persons and any rise in future borrowings may increase the risk.

Effect of Inflation

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

1. Unusual or infrequent events or transactions

There are no transactions or events, which in our best judgement, would be considered unusual or infrequent that have significantly affected operations of the Company.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

There are no significant economic changes that materially affected Company’s operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business including the future financial performance, shareholders’ funds and ability to implement strategy and the price of the Equity Shares.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as disclosed in the section titled “*Risk Factors*” beginning on page 21 of this Draft Prospectus as mentioned below to our knowledge, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

1. General economic and business conditions in India;
2. Disruption in our manufacturing facilities.
3. Company’s ability to successfully implement its growth strategy and expansion plans.
4. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
5. Inability to successfully obtain registrations in a timely manner or at all;

6. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
7. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
8. Changes in laws and regulations relating to the industries in which we operate;
9. Effect of lack of infrastructure facilities on our business;
10. Increase in prices of Raw Material i.e. fabrics
11. Occurrence of Environmental Problems & Uninsured Losses;
12. Intensified competition in industries/sector in which we operate;
13. Our ability to attract, retain and manage qualified personnel;
14. Failure to adapt to the changing technology in textiles industry may adversely affect our business and financial condition;
15. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
16. Conflicts of interest with affiliated companies, the promoter group and other related parties;
17. Any adverse outcome in the legal proceedings in which we are involved;
18. Our ability to expand our geographical area of operation;
19. Concentration of ownership among our Promoters.

4. Future changes in relationship between costs and revenues in case of events such as future increase in labour or material cost or prices that will cause material change

According to our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However, increase in the cost of the goods in which the Company deals, will affect the profitability of the Company. Further, the Company may not be able to pass on the increase in prices of the services to the customers in full and this can be offset through cost reduction.

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

6. Total turnover of each major industry segment in which the issuer company operates

Our Company is primarily engaged in manufacturing and trading of Indian ethnic wears offering wide range of ethnic wears like LehengaCholi, Sarees, Kurti, Dupatta, Scarfs with the ample use of different kinds of fabrics such as Satin, Georgette, Crepe, Chiffon, Velvet, Polyester, Cotton, Silk, Wool etc. Relevant industry data, as available, has been included in the section titled "*Our Industry*" beginning on page 180 of this Draft Prospectus.

7. The extent to which business is seasonal

Our Company's business is seasonal. However the business of the company depends upon the Growth potential of the economy and growth of the country.

8. New Product or Business Segment

We do not intend to enter into any new business segment

9. Any significant dependence on a single or few suppliers or customers

The % of Contribution of our Company's customer and supplier vis-a-vis the total revenue from operations and purchase respectively as on March 31, 2018 is as follows:

| | Customers | Suppliers |
|------------|-----------|-----------|
| Top 5 (%) | 89.73% | 61.92% |
| Top 10 (%) | 98.21% | 76.94% |

10. Competitive conditions

Competitive conditions are as described under the section titled “*Our Business*” beginning on page no. 96 of this Draft Prospectus.

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 during the last three financial year.

There are no defaults, in repayment of statutory dues or repayment of debentures or repayment of deposits or repayment of loans from any bank or financial institution during the last three financial years.

Material Frauds

There are no material frauds committed against our Company, in the last three financials year

FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on January 31, 2019 together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

2. Facility of ₹ 200.00 lakhs from RBL Bank as per Sanction letter date January 18, 2019.

(Rs. In Lakhs)

| Nature of Facility | Sanctioned Amount | Repayment | Outstanding as on 31 st January, 2019 |
|----------------------|-------------------|----------------------|--|
| A. Fund Based | | | |
| Cash Credit | 200.00 | Valid upto 12 months | 200.00 |

| Type of Facility | Pre Shipment Credit – Export Packing Credit(EPC)/ Packing Credit in Foreign currency(PCFC) | Pre Shipment Credit in Foreign Currency |
|---------------------|--|---|
| Amount | 175.00 | |
| Purpose | Working Capital Requirement | |
| Interest | For EPC – 6 months MCLR+ 0.60 p.a. i.e 10.55% p.a. For PCFC- At the time of withdrawal | At the time of withdrawal |
| Repayment | Yearly Renewal/ On demand | Yearly Renewal/ On demand |
| Margin | 10% on purchase order | 10% margin on bill |
| Availability period | 12 months | 12 months |

| Type of Facility | LER |
|------------------|---------------------------|
| Amount | 25.00 |
| Purpose | To hedge the currency |
| Interest | As suggested by Treasury |
| Repayment | Yearly Renewal/ On demand |
| Margin | 20% FD margin |
| Tenor | 12 months |

Security:

Primary Security -

- Hypothecation on entire current assets inclusive of stock and book debts, both present and future.
- Hypothecation on moveable fixed assets both present and future.

Collateral Security-

- Mortgage by deposit of title deeds/simple/ English/ registered mortgage of immovable property situated at unit no. 17, Ground, A1, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai – 400013, Maharashtra, India

Other Security -

- Lien on Fixed Deposit of 5 lakhs placed with bank.

Personal Gurantee:

- Hitesh Shrawankumar Sadh
- Shrawankumar Sadh
- Purti Hitesh Sadh

Vehicle Loan:

| Name of the Lender | Type of Loan | Date of Sanction/Approval | Sanctioned Amount (₹ In Lakhs) | Repayment | Outstanding amount as on January 31, 2019 |
|--------------------|--------------|---------------------------|--------------------------------|-----------|---|
| Yes Bank Limited | Vehicle Loan | September 27, 2018 | 22.00 | 60 months | 20,51,600/- |

SECTION VI LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

A. (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors or Promoters.

Our Board, in its meeting held on December 21, 2018 has determined that outstanding legal proceedings involving the Company, Directors and Promoters where¹:

- a. the aggregate amount involved in such individual litigation exceeds 5% of the consolidated profit after tax of the company, as per the last audited financial statements; or 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 5% of the consolidated profit after tax of the company, as per the last audited financial statements;
- b. any such litigation wherein the monetary liability is not quantifiable but which is expected to be material from the perspective of the Company's business, operations, prospects or reputation

shall be considered as ("**Material Litigation**").

B. pending proceedings initiated against our Company for economic offences;

C. outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to micro, small and medium enterprises and other creditors.

Our Board, in its meeting held on December 21, 2018, determined that outstanding dues to creditors in excess of the threshold limit of ₹1,00,000/- and the credit period of up to 30 days as applicable in the case of MSME and 5% of our Company's trade payables as per last audited financial statements in the case of other outstanding creditors shall be considered as material dues ("**Material Dues**"). Details of outstanding dues to creditors as required under the SEBI ICDR Regulations have been disclosed on our website at www.skinternational.in.

There have been no violations of securities laws by our Company, its Directors and Promoters in the past or which are pending against them.

A. LITIGATION INVOLVING OUR COMPANY

1. Litigation against our Company

Civil NIL

Criminal NIL

Taxation

i. Direct Tax Proceedings

| <u>Particulars</u> | <u>A.Y.</u> | <u>Status</u> |
|--|-------------|--|
| ITAT by an order dated January 13, 2015 has disallowed the claim | 2007-08 | The Company has filed an appeal (ITA No. 715 of 2016) before |

| <u>Particulars</u> | <u>A.Y.</u> | <u>Status</u> |
|---|-------------|---|
| of deduction under section 10B of the IT Act on Duty Entitlement Pass Bookreceipts amounting to Rs. 92,42,507/- | | theHon'bleHigh Court of Bombay on February 12, 2016 against the ITAT order dated January 13, 2015. The matter is currently pending before the Hon'ble High Court of Bombay. |

ii. Indirect Tax Proceedings
NIL

2. Litigation by our Company

Civil
NIL

Criminal NIL

Taxation

a. Direct Tax Proceedings
NIL

b. Indirect Tax Proceedings
NIL

B. LITIGATION INVOLVING THE DIRECTORS

1. Litigation against our Directors

Civil NIL

Criminal NIL

Taxation

a. Direct Tax Proceedings
NIL

b. Indirect Tax Proceedings
NIL

2. Litigation by our Directors

Civil NIL

Criminal NIL

Taxation

Direct Tax Proceedings

NIL

Indirect Tax Proceedings

NIL

C. LITIGATION INVOLVING OUR PROMOTER**1. Litigation against Promoter**Civil NILCriminal NILTaxationDirect Tax Proceedings²

| Sr. No. | Particulars | Assessment Year |
|---------|---|-----------------|
| 1. | Notice dated April 07, 2011 under Section 143(1)(a) of the IT Act has been received by our Promoter, Mr. Hitesh Shrawankumar Sadh for tax demand of Rs. 1,72,398/-. | 2010-11 |

Indirect Tax Proceedings

NIL

2. Litigation by PromoterCivil

A rent and eviction suit (RAE No. 1934 of 2007) has been filed by one Sanghavi Realty Private Limited against M/s. Bharat Warehousing Co., a partnership firm having registered office at 81, Mint Road, Near G.P.O., Fort, Mumbai- 400 001 before the Court of Small Causes at Bombay in relation to ejection of the defendant from factory shed on the ground floor admeasuring 672 sq. ft. carpet, situated at 321 B.C., N.M. Joshi Marg, Mumbai 400 011, lying and being on Cad. Survey No. 1/87, Lower Parel Division (the “Scheduled Property”).

Our Promoter Mr. Hitesh Sadh along with our Director Mrs. Purti Hitesh Sadh have on October 20, 2008 filed a miscellaneous application (No. 330 of 2008) in the abovementioned suit before the Court of Small Causes at Bombay claiming to be actual occupants of the Scheduled Property and have prayed *inter alia* to decree the restoration and handover of the Scheduled Property to them; to restore the materials of the plaintiff and/or pay a sum of Rs. 1,50,000/- towards the cost of the materials; and to order appropriate investigation into the conduct of the Bailiff in the said execution and also take necessary action in that regard against the Bailiff and the plaintiff. The matter is currently pending before the Court of Small Causes at Bombay.

Criminal

One of our Promoters and Promoter Group members, namely Mr. Hitesh Sadh and Mr. Sohit Sadh respectively (collectively “Complainants”) have lodged a complaint dated April 27, 2017 against one Mr. Shekhar Kishor of M/s. Nalshwar Construction and one Mr. Mahesh Naik (collectively “Accused”) before the Assistant Commissioner of Police and Police Inspector, Virar Police Station for alleging a fraud of Rs. 18,10,000/- towards transfer of land situated at 01 Festival Complex, Type B Building, Aachole Road, Nalasopara (E) (the “Scheduled Property”). As per the complaint lodged, the Complainants and Accused had entered into a Memorandum of Understanding dated February 22, 2010 where under the Complainants are entitled to the Scheduled Property but the Accused have not transferred the Scheduled Property to them.

TaxationDirect Tax Proceedings

NIL

Indirect Tax Proceedings

NIL

PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES

There are no proceedings initiated against our Company for any economic offences.

NON-PAYMENT OF STATUTORY DUES

Other than cases disclosed above, our Company has no outstanding defaults in relation to statutory dues consisting of service tax, value added tax, professional tax, employee state insurance, provident fund and tax deducted, dues payable to holders of any debentures (including interest) or dues in respect of deposits (including interest) or any defaults in repayment of loans from any bank or financial institution (including interest).

POTENTIAL LITIGATION INVOLVING OUR COMPANY

As on the date of this Draft Prospectus, there is no potential litigation proceeding against our Company.

POTENTIAL LITIGATION INVOLVING OUR PROMOTER

As on the date of this Draft Prospectus, there are no potential litigation proceeding against our Promoter:

OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

As on the date of this Draft Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

OUTSTANDING DUES TO CREDITORS

As per the Materiality Policy, our Board has approved the following:

- (i) Consolidated information on outstanding dues to Micro Small & Medium Enterprises (MSME), separately giving details of number of cases and amount involved if the same exceeds the threshold limit of ₹1 lakhs and the credit period of up to 30 days;
- (ii) Complete details about outstanding dues to other creditors (excluding banks and other financial institutions from whom Company has availed the financing facilities) if the amount due to any one of them exceeds 5% of the total outstanding trade payables of the Company as per the last audited financial statements.

As of September 12, 2018, our Company, in its ordinary course of business, has an aggregate amount of ₹ 8.26 Lakhs, which is due towards sundry and other creditors. As per the above policy, consolidated information of material dues to creditors, giving details of number of cases and aggregate amount for such dues is as under:

| Particulars | Number of cases | Amount Outstanding (in Rs.) |
|-------------------------------------|-----------------|-----------------------------|
| Outstanding dues to MSMEs | NIL | NIL |
| Outstanding dues to other creditors | 10 | 8,26,000 |
| Total Outstanding Dues | 10 | 8,26,000 |

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, our Promoters nor our Directors are or have been classified as a wilful defaulter by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI.

MATERIAL DEVELOPMENTS

Except as disclosed in the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 175 of this Draft Prospectus, in the opinion of our Board, there have not arisen, since September 12, 2018 any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, registrations, permissions and approvals from the Government of India and various governmental agencies required to undertake this Issue and carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals and licenses are valid as of the date of this Draft Prospectus and in case of licenses and approvals which have expired; we have either made application for renewal or are in the process of making an application for renewal. In order to operate our business, we require various approvals and/or licenses under various laws, rules and regulations.

The main objects clause of our Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further major approvals from any governmental or regulatory authority except proposed activities of Company or any other entity are required to undertake the Issue or continue its business activities.

Following statement sets out the details of licenses, permissions and approvals obtained by the Company under various central and state legislations for carrying out its business activities.

I. COMPANY RELATED APPROVALS

| Sr. No. | Authorization Granted | Issuing Authority | Registration No:/ Reference No:/ License No: | Date of Issue/ Date of Renewal | Valid up to |
|---------|---|------------------------|--|--------------------------------|-----------------------|
| 1. | Certificate of Incorporation in the name of "SK International Export Limited" | Registrar of Companies | U18109MH2018PLC314141 | September 13, 2018 | Valid until cancelled |

II. APPROVALS FOR THE ISSUE

- The Board of Directors has, pursuant to a resolution passed at its meeting held on January 04, 2019 authorized the Issue subject to the approval of the shareholders of the Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
- The shareholders of the Company have, pursuant to a resolution dated January 16, 2019 passed in the EGM under Section 62(1)(c) of the Companies Act, 2013 authorized the Issue.
- The Company has obtained in-principle listing approval from BSE dated [●].
- The Company has entered into an agreement dated [●] with the Central Depository Services (India) Limited ("CDSL") and the Registrar and Transfer Agent for the dematerialization of its shares.
- Similarly, the Company has also entered into an agreement dated [●] with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, for the dematerialization of its shares.
- The Company's International Securities Identification Number ("ISIN") is INE04ST01013.

III. BUSINESS RELATED APPROVALS

| Sr. No. | Nature of License / Approval | Issuing Authority | Registration/ License No. | Date of granting License/ Approval | Valid up to |
|---------|------------------------------------|----------------------------|---------------------------|------------------------------------|-----------------------|
| 1. | Permanent Account Number (PAN) | Income Tax Department, GoI | ABACS8362H | September 19, 2018 | Valid until cancelled |
| 2. | Tax Deduction Account Number (TAN) | Income Department, GoI | MUMS96790B | September 19, 2018 | Valid until cancelled |
| 3. | Certificate of Provisional | Government of | 27ABACS8362H1Z3 | November 02, 2018 | Valid until |

| Sr. No. | Nature of License / Approval | Issuing Authority | Registration/ License No. | Date of granting License/ Approval | Valid up to |
|---------|--|---|-------------------------------------|------------------------------------|-----------------------|
| | Registration for Goods and Service Tax | India and Government of Maharashtra | | | cancelled |
| 4. | Importer-Exporter Code (IEC) | Foreign Trade Development Officer, Ministry of Commerce | ABACS8362H | October 26, 2018 | Valid until cancelled |
| 5. | Certificate of Registration under the Central Sales Tax (Registration and Turnover) Rules, 1967 | Sales Tax Department, Maharashtra | 27160007038 C | April 1, 2006 | Valid until cancelled |
| 6. | Certificate of Registration under Section 16 of The Maharashtra Value Added Tax Act, 2002 | Sales Tax Department, Maharashtra | 27160007038 V | April 1, 2006 | Valid until cancelled |
| 7. | Certificate of Registration under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 | Profession Tax Officer, Mumbai Branch | 27611639640P | November 30, 2018 | Valid until cancelled |
| 8. | Certificate of Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 | Profession Tax Officer, Mumbai Branch | 99283231228P | April 1, 2018 | Valid until cancelled |
| 9. | Employees' State Insurance Registration Certificate* | Regional Office Maharashtra, Employees' State Insurance Corporation | 31-58319-19 | September 6, 2005 | Valid until cancelled |
| 10. | Certificate of Registration for Employee's Provident Fund* | Employee's Provident Fund Organisation | MHBAN0048459000 | July 1, 2005 | Valid until cancelled |
| 11. | Registration Certificate of Establishments under Maharashtra Shops and Establishment Act, 1948 (for Registered office) | Inspector under Maharashtra Shops and Establishment Act, 1948 | 820017568 / GS Ward / COMMERCIAL II | December 22, 2018 | December 21, 2021 |

* The said approvals/ registrations/ permissions are in the name of the erstwhile partnership firm and our Company is yet to make applications to the respective authorities for updating the change in its name and composition.

Approvals related to factory situated at HDIL Industrial Park, Virar

| Sr. No. | Authorization Granted | Issuing Authority | Registration No./ Reference No./ License No. | Date of Issue/ Date of Renewal | Valid up to |
|---------|-----------------------|---|--|--------------------------------|-------------------|
| 1. | Factory License* | Directorate Industrial Safety & Health, Maharashtra | 12900141010S-0825 | January 1, 2018 | December 31, 2019 |

| Sr. No. | Authorization Granted | Issuing Authority | Registration No./ Reference No./ License No. | Date of Issue/ Date of Renewal | Valid up to |
|---------|---|---|--|--------------------------------|----------------|
| | | State | | | |
| 2. | Fire License/NOC | Fire and Emergency Department, Vasai Virar City Municipal Corporation | VVCMC/FIRE/HQ/336/2018-19 | July 21, 2018 | July 20, 2019 |
| 3. | Consent of the Board under Water (Prevention & Control of Pollution) Act, 1974* | Maharashtra Pollution Control Board | MPCB/SRO-THANEII /CONSENT /O / 1703002099 | March 31, 2017 | March 31, 2022 |
| 4. | Consent of the Board under Air (Prevention & Control of Pollution) Act, 1981* | Maharashtra Pollution Control Board | MPCB/SRO-THANEII / CONSENT/O/1703002099 | March 31, 2017 | March 31, 2022 |
| 5. | Consent of the Board under Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008* | Maharashtra Pollution Control Board | MPCB/SRO-THANEII /CONSENT /O/1703002099 | March 31, 2017 | March 31, 2022 |

* The said approvals/ registrations/ permissions are in the name of the erstwhile partnership firm and our Company is yet to make applications to the respective authorities for updating the change in its name and composition.


IV. Approvals obtained in relation to Intellectual property rights


NIL

V. Approvals applied for but not yet received / Renewals made in the normal course of business:

- I. Employees' State Insurance Registration Certificate.
- II. Certificate of Registration for Employee Provident Fund.
- III. Trademark

Our Company has been granted the registration of following trademarks as on the date of this Draft Prospectus:

| Sr. No. | Trademark | Class of Trademark | Application No | Date of Application | Status |
|---------|---|--------------------|----------------|---------------------|----------|
| 1. |  SK INTERNATIONAL EXPORT | 25 | 3777441 | March 14, 2018 | Objected |

| Sr. No. | Trademark | Class of Trademark | Application No | Date of Application | Status |
|---------|---|--------------------|----------------|---------------------|----------|
| 2 |  | 25 | 4031434 | December 19, 2018 | Objected |

IV. Material licenses / approvals for which our Company is yet to apply for / Statutory Approvals / Licenses required:

- i. Factory License for the HDIL Industrial Park to reflect in the name of our Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue in terms of this Draft Prospectus has been authorized pursuant to the resolution passed by the Board of Directors dated January 04, 2019 and by the shareholders pursuant to the special resolution passed in Extra-ordinary General Meeting dated January 16, 2019 under Section 62(1)(c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the BSE SME for using its name in the Draft Prospectus/ Prospectus pursuant to an approval letter dated [●]. BSE SME is the Designated Stock Exchange.

Prohibition by SEBI or other governmental authorities

We confirm that our Company, our Promoters, natural person in control of Promoter, Promoter Group, our Directors or entities with which our Company's Directors are associated as Directors / Promoter / partners of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company or any natural person behind the Promoter are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

The listing of any securities of our Company has never been refused at any time by any of the Stock Exchange in India. There are no violations of securities laws committed by them in the past or are pending against them. None of the Directors are associated with any entities, which are engaged in securities market related business and are registered with SEBI for the same.

We confirm that our Company, Promoters, Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable as on date of this Draft Prospectus.

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

None of our Promoters or Directors has been declared as fugitive economic offender under Fugitive Economic Offenders Act, 2018.

Prohibition by RBI

Neither our Company, nor our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a will full defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under section titled "*Outstanding Litigations and Material Developments*" beginning on page 185 of this Draft Prospectus.

Eligibility for the Issue

Our Company is eligible for the Offer in accordance with regulation 229(1) and other provisions of chapter IX of the SEBI (ICDR) Regulations, 2018 as the post Offer face value capital is less than ₹ 10 Crores. Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares.

We confirm that:

- In accordance with regulation 260 of the SEBI (ICDR) Regulations, this Offer will be 100% underwritten and shall not restrict to the minimum subscription level. The LM shall underwrite at least 15% of the total Offer size. For further details pertaining to underwriting please refer to chapter titled "General Information" beginning on page 43 of this Draft Prospectus.

- In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Offer is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
- We shall file the Draft Prospectus with Stock Exchange and pursuant to sub regulation (5) of regulation 246, the copy of Draft Prospectus shall also be furnished to the SEBI in a soft copy. However SEBI shall not issue any observation on the Offer Document in terms of Regulation 246 of SEBI (ICDR) Regulations.
- In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this Offer. For further details of the market making arrangement see chapter titled "General Information" beginning on page 43 of this Draft Prospectus.
- The Post-Offer paid up capital of the Company shall not be more than Rs. 25 Crores. The post Offer capital of our Company shall be Rs. 733.19 Lakh.
- The Company has positive cash accruals (Earnings before depreciation and tax) from operations for at least 2 (two) financial years preceding the date of filing of this Draft Prospectus.
- The Company has a track record of three years as on date of filing of this Draft Prospectus.
- The Net worth of the Company is positive as per the latest audited financial statements.
- The Net worth and Cash accruals (Earnings before depreciation and tax) from operation of the Company as per the Restated Financial statements for the period ended on September 12, 2018 and financial year ended March 31, 2018, 2017 and 2016 is as set forth below:

(Rs. In Lakhs)

| Particulars | For the financial year ended 31 st March | | | |
|---------------|---|--------|--------|--------|
| | For the period ended on September 12, 2018 | 2018 | 2017 | 2016 |
| Net Worth | 540.67 | 516.81 | 316.20 | 203.27 |
| Cash Accruals | 42.12 | 253.00 | 66.12 | 35.31 |

"Net Worth" has been defined as the aggregate of the paid up share capital, share application money (excluding the portion included in other current liabilities) and reserves and surplus excluding miscellaneous expenditure, if any.

***"Cash accruals" has been defined as the Earnings before depreciation and tax from operations*

- The track record of the Company as per the Standalone Restated financial statements for the period ended on September 12, 2018 and financial year ended March 31, 2018, 2017 and 2016 is as set forth below:

(Rs. In Lakhs)

| Particulars | September 12, 2018 | For F.Y. 2017-18 | For F.Y. 2016-17 | For F.Y. 2015-16 |
|--------------------------|--------------------|------------------|------------------|------------------|
| Net Profit (as restated) | 31.62 | 237.32 | 48.31 | 14.61 |

- As per restated financial statement, the net tangible assets of the company are Rs. 540.28 crores as on 12.09.2018. So, the company has fulfilled the criteria of minimum net tangible assets shall not be less Rs. 3 crores.
- Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories. The Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated [●] and National Securities Depository Limited dated [●] for establishing connectivity.
- Our Company has a website i.e. www.skinternational.in
- Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

- There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.
- There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.
- We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE Ltd

Compliance with Part A of Schedule VI of the SEBI (ICDR) Regulations

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI (ICDR) Regulations 2018. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations 2018, with respect to the Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF ISSUE DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)/ STOCK EXCHANGE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI/ STOCK EXCHANGE. SEBI/ STOCK EXCHANGE DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE ISSUE DOCUMENT. THE LEAD MANAGER, FINSHORE MANAGEMENT SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE ISSUE DOCUMENT, THE LEAD MANAGER, FINSHORE MANAGEMENT SERVICES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 07, 2019 WHICH READS AS FOLLOWS:

WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:

WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE

ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:

THE DRAFT PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS ETC FRAMED/ ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

THE MATERIAL DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS- NOTED FOR COMPLIANCE

WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.

WE CERTIFY THAT REGULATION 237 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.

WE UNDERTAKE THAT SUB-REGULATION (2) OF REGULATION 236 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE

WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION

WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE

WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT MODE- NOTED FOR COMPLIANCE

WE CERTIFIED THAT ALL APPLICABLE PROVISIONS OF THESE REGULATIONS WHICH RELATE TO RECEIPT OF PROMOTERS' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE ISSUE.

WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:

AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND

AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 WHILE MAKING THE ISSUE. NOTED FOR COMPLIANCE

WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER [•] OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

1. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.
2. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE PROSPECTUS.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY LEAD MANAGER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.

WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.

WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. - NOTED FOR COMPLIANCE

WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.

WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISION TO SUB-REGULATION (2) OF REGULATION 236 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018; THE CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS.

WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 260 AND 261 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, HAVE BEEN MADE.

Note:

The filing of this Draft Prospectus does not, however, absolve our company from any liabilities under section 34, section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in the Draft Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai, Maharashtra in terms of sections 26, 32 and 33 of the Companies Act, 2013.

Price Information of past issued handled by the Lead Manager

Statement on Price Information of Past Issues handled by Finshore Management Services Limited:

| Sr. No. | Issue Name | Issue Size (Rs, in Cr) | Issue Price (In Rs.) | Listing Date | Opening price on listing date (In Rs.) | +/- % 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 | East India Securities Ltd | 92.74 | 920 | 13/03/2018 | 921.90 | 1.02 [+0.72] | 0.86 [+5.42] | 3.23 [+11.40] |
| 2 | Sungold Media And Entertainment Limited | 1.35 | 10 | 27/08/2018 | 9.75 | -11.43 [-5.56] | -41.09 [-8.63] | -29.97 [-7.03] |
| 3 | Powerful Technologies Limited | 13.54 | 51 | 28/08/2018 | 48.00 | -34.65 [-6.48] | -38.71 [-8.97] | 58.33 [-7.94] |
| 4 | AKI India Limited | 3.08 | 11 | 12/10/2018 | 11.55 | -2.68 [1.22] | -0.87 [+3.67] | NA |
| 5 | Shree Krishna Infrastructure Limited | 1.17 | 13 | 03/12/2018 | 12.35 | -55.87 [-0.96] | 57.09 [-0.49] | NA |
| 6 | Diksha Greens Ltd | 13.32 | 30 | 05/12/2018 | 36.20 | 106.69 [-0.53] | 121.03 [0.50] | NA |
| 7 | Shankar Lal Rampal Dye-Chem Limited | 7.29 | 45 | 24/12/2018 | 46.15 | -1.71 [1.80] | NA | NA |
| 8 | Jonua Overseas Limited | 1.30 | 10 | 25/02/2019 | 12.00 | NA | NA | NA |

Status as on 01-03-2019

1. in case where the security is not being traded on 30th, 90th and 180th day, the previous working day has been considered.

2. in case where 30th, 90th and 180th day is holiday, the previous working day has been considered for benchmark and security purpose.

3. the benchmark index is SENSEX where the securities have been listed in BSE SME and Nifty where securities have been listed in NSE and issue information from respective prospectus.

Summary statement of Disclosure:

| Financial Year | Total no. of IPOs | Total Funds Raised (₹ in Cr.) | Nos. of IPOs trading at discount - 30th calendar day from listing day | | | Nos. of IPOs trading at premium - 30th calendar day from listing day | | | Nos. of IPOs trading at discount - 180th calendar day from listing day | | | Nos. of IPOs trading at premium - 180th calendar day from listing day | | |
|----------------|-------------------|-------------------------------|---|-----------------|-----------------|--|-----------------|----------------|--|-----------------|-----------------|---|-----------------|---------------|
| | | | Over 50% | Betwe en 25-50% | Les s than 25 % | Over 50% | Betwe en 25-50% | Less tha n 25% | Over 50% | Betwe en 25-50% | Les s than 25 % | Over 50% | Betwe en 25-50% | Less than 25% |
| 2016-17 | 0 | N. A | N. A | N. A | N. A | N. A | N. A | N. A | N. A | N. A | N. A | N. A | N. A | N. A |
| 2017-18 | 1 | 92.74 | N. A | N. A | N. A | N. A | N. A | N. A | N. A | N. A | N. A | N. A | N. A | 1 |
| 2018-19 | 7 | 41.05 | 1 | N. A | 2 | 1 | N. A | N. A | 1 | 1 | N. A | N. A | N. A | N. A |

Status as on 01-03-2019

Track Record of past issues handled by Finshore Management Services Limited

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: www.finshoregroup.com

Disclaimer from our Company and the Lead Manager

Our Company and the LM accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered between the LM (Finshore Management Services Limited) and our Company on February 11, 2019 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the LM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The LM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

Caution

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakh and pension funds with a minimum corpus of ₹ 2,500.00 Lakh, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe for Equity Shares Issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Mumbai only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and this Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the SME Platform of BSE

As required, a copy of this Issue Document has been submitted to BSE Limited (hereinafter referred to as BSE). BSE Limited ("BSE") has vide its letter dated [●] given permission to use its name in the offer document as the Stock Exchange on whose Small and Medium Enterprises platform ("SME platform") the company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this company. BSE does not in any manner:-

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer documents; or
 - ii. warrant that this company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or
 - iii. take any responsibility for the financial or other soundness of this company, its promoters, its management or any scheme or project of this company.
 - iv. warrant, certify, or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the company and investors are informed to take the decision to invest in the equity shares of the company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the company is determined by the company in consultation with the Merchant Banker(s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
 - v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
 - vi. The company has chosen the SME platform on its own initiative and its own risk, and is responsible for complying with local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and courts exclusively situated in Mumbai.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be Issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be Issued and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing

The Draft Prospectus is being filed with BSE Limited, 20th Floor, P.J. Towers, Dalal Street, Fort, Mumbai-400001, Maharashtra

A copy of this Draft Prospectus shall be furnished to SEBI in soft copy. A copy of the Prospectus shall be filed with SEBI immediately upon registration of the Offer document with Registrar of Companies in term of Regulation 246 of the SEBI (ICDR) Regulations, 2018. SEBI shall not issue any observation on the Offer document.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Mumbai, Maharashtra at 100, Everest, Marine Drive, Mumbai- 400002, Maharashtra, India.

Listing

The Equity Shares of our Company are proposed to be listed on BSE SME. Our Company has obtained in-principle approval from BSE by way of its letter dated [●] for listing of equity shares on BSE SME.

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within eight (8) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) days, be liable to repay such application money, with interest at the rate as prescribed under the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities;

or

Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable to action under section 447 of the Companies, Act 2013

Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Syndicate Members, Our Statutory Auditor, Key Managerial Personnel, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Lead Manager, Registrar to the Issue, Banker (s) to the Issue, Sponsor Bank, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities shall be obtained as required as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, our Auditor, A Biyani & Co., Statutory Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on "Statement of Tax Benefits" relating to the possible tax benefits and restated financial statements as included in this Draft Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Prospectus.

Experts Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated February 13, 2019 from the Statutory Auditors namely, A Biyani & Co. to include their name as an "expert" as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations and as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Financial Statements, each dated January 25, 2019 and the statement of special tax benefits dated January 25, 2019, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U. S. Securities Act.

Expenses of the Issue

The expenses of the Issue include, among others, underwriting and management fees, selling commission, brokerage, printing and distribution expenses, legal fees, advertising expenses and listing fees. For details of total expenses of the Issue, kindly refer the chapter titled “*Objects of the Issue*” beginning on page 66 of this Draft Prospectus

Fees, Brokerage and Selling Commission payable to the LM

The total fees payable to the LM will be as per the (i) Issue Agreement dated, February 11, 2019 with the LM, Finshore Management Services Limited, (ii) the Underwriting Agreement dated [●] with Underwriter, Finshore Management Services Limited and (iii) the Market Making Agreement dated [●] with Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on all Working Days from the date of the Draft Prospectus until the Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of refund orders, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated December 04, 2018 a copy of which is available for inspection at our Company’s Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to make refunds in any of the modes described in this Draft Prospectus or send allotment advice by registered post/speed post.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Prospectus.

Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to section titled “*Capital Structure*” beginning on page 55 of this Draft Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public Issuing of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

Performance vis-a-vis objects – Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company

Except as stated under section titled “*Capital Structure*” beginning on page 55 of this Draft Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

Performance vis-a-vis objects - Last Issue of Group/Associate Companies

All of our Group/ Associate are unlisted and have not made a public issue of shares in the last ten (10) years preceding the date of this Draft Prospectus.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Prospectus.

Outstanding Convertible Instruments

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

Option to Subscribe

Equity Shares being issued through the Draft Prospectus can be applied for in dematerialized form only.

Stock Market Data of the Equity Shares

This being a public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

Mechanism for Redressal of Investor Grievances

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection centre of the SCSBs where the Application Form was submitted by the ASBA Applicants.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Bijal Sunil Shah, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Company Secretary and Compliance Officer

Ms. Bijal Sunil Shah
SK International Export Limited
Unit no-78, Ground, A2, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg,
Lower Parel Mumbai – 400013, Maharashtra India
Tel. No: +91 022 6660 6450/ 022 6660 6451
Email: compliance@skinternational.in

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

We do not have any listed company under the same management.

Change in Auditors during the last three (3) years

Except as disclosed below, there has been no change in the statutory auditors during the three years immediately preceding the date of this Draft Prospectus:

| Sr. No. | Date | From | To | Reason for change |
|---------|------------------|--|--|-------------------|
| 1 | October 11, 2018 | M/s. PARESH – BHUPENDRA & ASSOCIATES (Chartered Accountants) | A Biyani & Co., Chartered Accountants Proprietor | Resignation |

Capitalization of Reserves or Profits

Except as disclosed under section titled “Capital Structure” beginning on page 55 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

Revaluation of Assets

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Prospectus.

Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “*Statement of Tax Benefits*” beginning on page 74 of this Draft Prospectus.

Purchase of Property

Other than as disclosed under section titled “*Our Business*” beginning on page 96 of this Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

Servicing Behaviour

Except as stated in this Draft Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under sections titled “*Our Management*” and “*Related Party Transactions*” beginning on pages 127 and 147 respectively of this Draft Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the abridged prospectus, Application Form, CAN, the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, 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 GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that in terms of regulation 256 of the SEBI (ICDR), 2018 read with SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public issues by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants

AUTHORITY FOR THE PRESENT ISSUE

This Issue has been authorized by a resolution of the Board passed at their meeting held on January 04, 2019 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on January 16, 2019.

RANKING OF EQUITY SHARES

The Equity Shares being Issue shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled “*Main Provisions of Articles of Association*” beginning on page 249 of this Draft Prospectus.

MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividend to the shareholders of our Company in accordance with the provisions of the Companies Act, 2013, as may be applicable, the Articles of Association of our Company, the provisions of the SEBI Listing Regulations and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by our Board of Directors and approved by our Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, For further details in relation to dividends, please refer to sections titled “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” beginning on 146 and 249 respectively of this Draft Prospectus.

FACE VALUE AND ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “*Basis for Issue Price*” beginning on page 71 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations as amended time to time. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association of our Company, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive Issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory and other preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable law, including any RBI Rules and Regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the previous Companies Act, 1956 and Companies Act, 2013, as may be applicable, terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For further details on the main provision of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/ or consolidation / splitting, etc., please refer to section titled "*Main Provisions of Articles of Association*" beginning on page 249 of this Draft Prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issuer:

1. Tripartite agreement dated [●] between our Company, NSDL and the Registrar to the Issue.
2. Tripartite agreement dated [●] between our Company, CDSL and the Registrar to the Issue

The trading of the Equity Shares will happen in the minimum contract size of 6,000 Equity Shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Draft Prospectus will be done in multiples of 6,000 Equity Shares subject to a minimum allotment of 6,000 Equity Shares to the successful Applicants in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

MINIMUM NUMBER OF ALLOTTEES

In accordance with the Regulation 268 of SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

JOINT HOLDERS

Where two (2) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to

make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board, elect either:

To register himself or herself as the holder of the Equity Shares; or
To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Operation of Subscription List of Public Issue

ISSUE PROGRAMME

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

MINIMUM SUBSCRIPTION

In accordance with Regulation 260(1) of SEBI (ICDR) Regulations, this Issue is 100% underwritten and the details of the same have been disclosed under Section titled, **General Information**, beginning on page 47 of this Draft Prospectus.

As per section 39 of the new Companies Act, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of thirty (30) days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this Issue Document including devolvement of Underwriters within sixty (60) days from the date of closure of the issue, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond eight (8) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act, 2013 and applicable law.

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 Issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of 6,000 equity shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261(5) of the SEBI ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

APPLICATION BY ELIGIBLE NRIS, FPIS/FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs. Such Eligible NRIs, FPIs/FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is

not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("**FDI**") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the Section titled, **Capital Structure**, beginning on page 55 of this Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfer and transmission and on their consolidation/splitting of Equity Shares. For further details, please refer to the Section titled, "**Description of Equity Shares and Terms of the Articles of Association**", beginning on page 249 of this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the LM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

As per Section 29 of the Companies Act, 2013 and in accordance with SEBI (ICDR) Regulations, every company making public Issue shall issue securities only in dematerialized form only. Hence, the Equity Shares being Issued can be applied for in the dematerialized form only. Further, it has been decided by the SEBI that trading in securities of companies making an initial public Issue shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange.

MIGRATION TO MAIN BOARD

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, the migration to the Main board of BSE from the SME Exchange on a later date shall be subject to the following:

- If the Paid up Capital of our Company is likely to increase above ₹ 25 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which our Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board

OR

- If the Paid-up Capital of the company is more than ₹ 10 crore but below ₹25 crore, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The Equity Shares offered through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein [●] is the Market Maker to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of three (3) years from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to Section titled, **General Information- Details of the Market Making Arrangements for this Issue**, beginning on page 47 of this Draft Prospectus.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be Issued or sold within the United States to, or for the account or benefit of “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. Securities Act and applicable U.S. state Securities laws. Accordingly, the Equity Shares are only being Issued or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those Issues and sales occur.

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

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations 2018, whereby, an issuer whose post issue face value capital is less than ten crore rupees and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please refer to Sections titled, “*Terms of the Issue*” and “*Issue Procedure*”, beginning on pages 208 and 216, respectively, of this Draft Prospectus.

The present Issue of 19,80,000 Equity Shares at a price of ₹ 20.00 each aggregating to ₹ 396.00 lakhs by our Company. The Issue and the Net Issue will constitute 27.01 % and 25.61 %, respectively of the post issue paid up equity share capital of the Issuer Company.

| Particulars of the Issue | Net Issue to Public* | Market Maker Reservation Portion |
|--|---|---|
| Number of Equity Shares | 18,78,000 Equity Shares | 1,02,000 Equity Shares |
| Percentage of Issue Size available for allocation | 94.85 % of the Issue Size | 5.15% of the Issue Size |
| Basis of Allotment/ Allocation if respective category is oversubscribed | Proportionate subject to minimum allotment of Equity Shares and further allotment in multiples of 6,000 Equity Shares each. For further details please refer to “Basis of Allotment” under section titled “ <i>Issue Procedure</i> ” beginning on page 216/216 of this Draft Prospectus. | Firm Allotment |
| Mode of Application | For Other than Retail Individual Investors All the applicants shall make the application (Online or Physical) through the ASBA Process only. For Retail Individuals Investors: Through the ASBA Process or by using UPI ID for payment | Through ASBA Process Only |
| Mode of Allotment | Compulsorily in dematerialised form. | Compulsorily in dematerialised form. |
| Minimum Application Size | For Other than Retail Individual Investors: Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value exceeds ₹2, 00,000. For Retail Individuals: 6,000 Equity Shares at Issue price of ₹ 20.00 each. | 1,02,000 Equity Shares of Face Value ₹10.00 |
| Maximum Application Size | For Other than Retail Individual Investors: The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable. For Retail Individuals Investors: | 1,02,000 Equity Shares of Face Value ₹10.00 |

| Particulars of the Issue | Net Issue to Public* | Market Maker Reservation Portion |
|--------------------------|---|--|
| | Such number of Equity Shares in multiples of 6,000 Equity Shares such that the application value does not exceed ₹2, 00,000. | |
| Trading Lot | 6,000 Equity Shares | 6,000 Equity Shares. However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. |
| Terms of Payment | 100% The Applicant shall have sufficient balance in the ASBA account at the time of submitting application and the amount will be blocked anytime within two day of the closure of the Issue. In case of UPI as an alternate mechanism, Bid amount shall be blocked at the time of confirmation of mandate collection request by applicant. | |

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations. For further details please refer to section titled “**Issue Structure**” beginning on page 213 of this Draft Prospectus.

**Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 (2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:*

- a) *Minimum fifty per cent to retail individual investors; and*
b) *Remaining to:*
(i) *individual applicants other than retail individual investors; and*
(ii) *other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;*
Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

Explanation: If the retails individual investor category is entitled to more than fifty per cent of the issue size on a proportionate basis, the retails individual investors shall be allocated that higher percentage.

For further information on the Allocation of Net Offer to Public, please refer to chapter titled “The Issue” on page no. 42 of this Draft Prospectus.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- The final listing and trading approvals of BSE for listing of Equity Shares Issued through this Issue on its SME Platform, which the Company shall apply for after Allotment; and
- The final RoC approval of the Prospectus after it is filed with the RoC.
- In case, our Company wishes to withdraw the Issue after Issue Opening but before allotment, our Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two (2) widely circulated national newspapers (one each in English and Hindi) and one (2) in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public Issuing of Equity Shares, our Company will file a fresh Issue document with the stock exchange where the Equity Shares may be proposed to be listed.

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

ISSUE PROGRAMME

| | |
|---------------------------|-----|
| ISSUE OPENING DATE | [●] |
| ISSUE CLOSING DATE | [●] |

Applications and any revisions to the same will be accepted only between 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form. On the Issue Closing Date when applications will be accepted only between 10:00 a.m. to 4:00 p.m. (Indian Standard Time).

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issuing, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday)

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, notified by SEBI (“General Information Document”), included below under Section “**PART B – General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the LM. Please refer to the relevant portions of the General Information Document which are applicable to this 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 the 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 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.

Additionally, all Applicants may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Applicants and Retail Individual Applicants applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated in this chapter and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.

Please note that all Applicants applying in the Issue can participate in the Issue only through the ASBA process. Applicants should carefully read the provisions applicable before making their application through the ASBA process. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB at the time of submitting the Application. As an alternate payment mechanism, investors may apply through UPI as per SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

Phased implementation of Unified Payments Interface (UPI)

SEBI has issued a circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 in relation to streamlining the process of public issue of equity shares and convertibles (“UPI Circular”). Pursuant to the circular, Unified Payments Interface (“UPI”) is proposed to be introduced in a phased manner (phase I will be effective from January 1, 2019) as an additional mode of payment with ASBA Form for applications by Retail Individual Investors through intermediaries (i.e., Syndicate members, Registered Stock Brokers, Registrar and Transfer Agents and Depository Participants) (“UPI Channel”). The UPI Channel for making Applications by Retail Individual Investors will be made available in accordance with the UPI Circular.

Retail Individual Investors should note that the Application using UPI Channel is optional and they can make Applications by submitting Application Forms, in physical form or in electronic mode, to the members of the Syndicate, the sub-Syndicate, SCSBs, the Registered Brokers, Registrars to an Issue and Share Transfer Agents and Depository Participants.

Our Company and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Draft Prospectus.

PART – A

Fixed Price Issue Procedure

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI ICDR Regulations, and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance is being offered to Other Investors including QIBs and Non-Institutional Applicants.

However, in case of under-subscription in either category, unsubscribed portion shall be allocated to investors in other category subject to valid Applications being received from them at the Issue Price.

Subject to the valid Applications being received at the Issue Price, allotment to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Individual Investors Category where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Individual Investors Category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

Investors should note that the Equity Shares will be Allotted to all successful Applicants only in dematerialised form. It is mandatory to furnish the details of Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Application Form

Retail Individual Applicants can submit their Applications by submitting Application Forms, in physical form or in electronic mode, to the members of the Syndicate, the sub-Syndicate, the SCSBs, the Registered Brokers, Registrars to an Issue and Share Transfer Agents and Depository Participants.

Application Forms will be available with the Syndicate/sub-Syndicate members, SCSBs and at our Registered Office. In addition, the Application Forms will also be available for download on the website of the Company, Lead Manager and Stock Exchange, BSE (www.bseindia.com), at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected. For further details on the UPI Channel please refer SEBI circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs or Registrars to an Issue and Share Transfer Agents or Depository Participants, as the case may be, submitted at the Collection centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA Mode. Alternatively investors can apply through UPI. The prescribed colour of the Application Form for various categories applying in this issue is as follows:

| Category | Colour |
|--|--------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA)** | White* |
| Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)** | Blue* |

* Excluding electronic Application Form.

** Application forms will also be available on the website of the BSE (www.bseindia.com). Same Application Form applies to all ASBA Applicants/ Retail Individual Applicants applying through UPI mechanism, irrespective of whether

they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Prospectus.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Offer, shall submit a completed application form to any of the following Intermediaries (Collectively called —Designated Intermediaries”)

| No. | Designated Intermediaries |
|-----|--|
| 1. | An SCSB, with whom the bank account to be blocked, is maintained |
| 2. | A syndicate member (or sub-syndicate member) |
| 3. | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker') |
| 4. | A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity) |
| 5. | A registrar to an offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity) |

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as „Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the application form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

| | |
|---|--|
| For Applications submitted by investors to SCSB: | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified. |
| For applications submitted by investors to intermediaries other than SCSBs: | After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer. |
| For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment: | <p>After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange.</p> <p>Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds.</p> <p>Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.</p> |

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants.

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Availability of Prospectus and Application Forms

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue and Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e. www.bseindia.com.

Who can apply?

Each Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Application Form and GID for more details.

Subject to the above, an illustrative list of Applicants is as follows:

Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);

Applications belonging to an account for the benefit of a minor (under guardianship);

- i. Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);

- ii. Applications belonging to an account for the benefit of a minor (under guardianship);
- iii. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Application by HUFs will be considered at par with Applications from individuals;
- iv. Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- v. QIBs;
- vi. NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- vii. Qualified Foreign Investors subject to applicable law;
- viii. Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- ix. Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under the irrespective constitutions to hold and invest in equity shares;
- x. Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- xi. Insurance companies registered with IRDAI;
- xii. Mutual Funds registered with SEBI;
- xiii. FPIs other than Category III Foreign Portfolio Investor;
- xiv. Category III Foreign Portfolio Investors, which are foreign corporates or foreign individuals only under the Other Investors Category;
- xv. Scientific and/ or industrial research organisations authorised in India to invest in the Equity Shares; and
- xvi. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications should not to be made by:

- i. Minors (except through their Guardians)
- ii. Partnership firms or their nominations
- iii. Foreign Nationals (except NRIs)
- iv. Overseas Corporate Bodies

The Equity Shares have not been and will not be registered under the U.S. Securities Act, 1933 (the "U.S. 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 an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

The information below is given for the benefit of the applicants. Our Company, and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company, and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.

MAXIMUM AND MINIMUM APPLICATION SIZE:

1. For Retail Individual Applicants:

The Application must be for a minimum of 6,000 Equity Shares and in multiples of 6,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000. As the application price payable by the Retail Individual Applicants cannot exceed ₹ 2,00,000, they can make Application only for minimum Application size i.e. for 6,000 Equity Shares.

2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 6,000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for

them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

3. Minimum Bid Lot: 6000 Equity Shares

Participation by Associates /Affiliates of LM and the Syndicate Members

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:
No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

Applications by Eligible NRIs

Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and Applying on a repatriation basis could make payments through the ASBA process only by blocking the funds for the amount payable on application in their NRE Account or FCNR Accounts, maintained with banks authorised by the RBI to deal in foreign exchange.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by blocking the relevant funds in their NRE or FCNR account, as the case may be. Payment for Application by non-resident Applicants applying on a repatriation basis will not be accepted out of NRO accounts for the full Application amount, at the time of submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Applications by HUF

Application by Hindu Undivided Families or HUFs should be in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Application by HUFs will be considered at par with Applications by individuals.

Applications 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) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased upto 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 the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our 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 our Company and the investor will be required to comply with applicable reporting requirements.

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 foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any 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 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. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

Applications by banking companies

In case of Applications made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company without assigning any reason therefore.

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.

Applications by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars 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 ASBA applications.

Applications by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The SEBI VCF Regulations and the SEBI FVCI Regulations, as amended, inter alia prescribe the investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only upto 33.33% of the investible funds in various prescribed instruments, including in public offerings.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

All Non-Resident Applicants including Eligible NRIs, FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for Eligible NRIs, FIIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI Regulations, the shareholding of VCFs, category I or II AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the Red Herring Prospectus with SEBI. However, such equity shares shall be locked in for a period of at least one year from the date of purchase by the VCF, category I or II AIF or FVCI, as the case may.

Applications by limited liability partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

Applications by Insurance Companies

In case of Applications made by Insurance Companies, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the "IRDAI Investment Regulations") 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 belong to: 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 points (i), (ii) and (iii) above, as the case may be.

The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000.00 million or more but less than ₹2,500,000.00 million.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

Applications by provident funds/ pension funds

In case of Applications made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Mutual Funds, Eligible FPIs, insurance companies Systemically Important Non-Banking Financial 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 and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any such Application without assigning any reasons therefore.

Applications by Systemically Important Non-Banking Financial Companies

In case of Application by Systemically Important Non-Banking Financial Companies, certified copy of a) the certificate of registration issued by RBI, b) certified copy of its latest audited financial statement on a standalone basis and a net worth certificate from its statutory auditor and c) such other approval as may be required by Systemically Important Non-Banking Financial Companies are required to be attached to the Application Form. Failing this, our Company reserves the right to accept or reject any such Application without assigning any reasons therefore. Systemically Important Non-Banking Financial Companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

Method and Process of Applications

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.

7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Terms of payment

The entire Issue price of 20/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Allocation of Equity shares

1. The Issue is being made through the Fixed Price Process wherein 1,02,000 Equity Shares shall be reserved for Market Maker and 18,78,000 Equity shares (Net Issue) will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Applicants.
2. Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
3. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
4. In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
5. Allotment status details shall be available on the website of the Registrar to the Issue.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre- Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

Issuance of Allotment Advice

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

General Instructions

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to not release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Applications are submitted at the Collection centres only on forms bearing the stamp of the Syndicate or Registered Broker or RTAs or DPs or SCSB (except in case of electronic forms). Ensure that your Application is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the Applicant has a bank account or a UPI ID linked Bank Account, or to a Registered Broker at the Broker Centres or to RTAs or DPs at collection centres and not to our Company.
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you have mentioned the correct ASBA Account number in the Application Form and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID.
- Submit revised Applications to the same member of the Syndicate, SCSB or Non-Syndicate Registered Broker, or RTAs or DPs as applicable, through whom the original Application was placed and obtain a revised TRS;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Draft Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding ₹ 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant; and

- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not make more than five application from one bank account.
- Do not use third party bank account or third party UPI ID linked Bank Account for making the Application;

Other instructions for the Applicants

Joint Applications

In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

Multiple Applications

An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

Impersonation:

Attention of the application is specifically drawn to the provisions of the sub-section (1) of Section 38 of the companies Act, 2013 which is reproduced below:

"Any person who

- Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.
- The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending upto 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount."

Investor Grievance

In case of any pre-Issue or post-Issue related problems regarding demat credit/refund orders/unblocking etc., the Investors can contact the Compliance Officer of our Company.

Nomination Facility to Applicant

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

Grounds for Technical Rejections

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds: -

- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the individual partners and no firm as such shall be entitled to apply.
- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.

- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Applications made using a third party bank account or using third party UPI ID linked bank account;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 6,000;
- Category not ticked;
- Multiple Applications as defined in this Draft Prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and Draft Prospectus as per the instructions in this Draft Prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals. Application or revision thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by BSE.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants, other Retail Individual Applicants, not submitted through ASBA process and Applications by Retail Individual Applicants not submitted through ASBA process or the UPI process;
- Failure of Retail Individual Applicants to validate the request of blocking of Application amount sent by the Sponsor Bank;
- Applications not uploaded on the terminals of the Stock Exchanges;
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form;
- Details of ASBA Account not provided in the Application form;
- In case of Retail Individual Applicants applying through the UPI mechanism, details of UPI ID, not provided in the Application form; etc

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID and UPI Circular.

APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner.

The authorised employees of the Stock Exchange, along with the LM 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.

Completion of Formalities for Listing & Commencement of Trading

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 (six) Working Days of the Issue Closing Date. The Registrar to the Issue may dispatch the Allotment Advice within 6 (six) Working Days of the Issue Closing Date.

Signing of Underwriting Agreement and Filing of Prospectus with ROC

- a) The issue is 100% underwritten. Our company has entered into an Underwriting Agreement dated 12th December 2018 with Lead Manager. For Further information, please refer section “General Information” beginning from page no 47 of this Draft Prospectus.
- b) A copy of Prospectus will be filled with the RoC in terms of Section 26 & 32 of Companies Act, 2013.

Undertakings by Our Company

We undertakes as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.
- 3) That the funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to theregistrar to the issue by the issuer.
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) That the promoters’ contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public in accordance with applicable provisions in these regulations.
- 6) That no further issue of securities shall be made till the securities offered through the Draft Prospectus are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 19.
- 7) That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment.
- 8) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 9) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;

Utilization of Issue Proceeds

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested.
- 4) The utilisation of monies received under the Promoters’ contribution 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;
- 5) The details of all unutilised monies out of the funds received under the Promoters’ contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company will sign the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

Agreement dated [•] between NSDL, the Company and the Registrar to the Issue;

Agreement dated [•] between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE04ST01013

PART B

GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus before investing in the Issue

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken inter-alia through the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations, 2018”) as amended.

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Draft Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Applicants should carefully read the entire Draft Prospectus and the Application Form and the abridged Draft Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Draft Prospectus, the disclosures in the Draft Prospectus shall prevail. The Draft Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the LM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOS ON SME EXCHANGE

Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO under chapter IX of SEBI (ICDR) regulation 2018, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of Regulation 228, 229 and 230 of the SEBI (ICDR) Regulations, 2018. For details of compliance with the eligibility requirements by the Issuer Applicants may refer to the Draft Prospectus.

The present Issue being made under Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulation 2018.

Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1 an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI (ICDR) Regulations, 2018, the Companies Act, 1956 and the Companies Act, 2013 as may be applicable (“the Companies Act), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry- specific regulations if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Chapter IX of SEBI (ICDR) Regulation 2018:

- 1) In accordance with Regulation 260 of SEBI (ICDR) Regulation 2018, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.

- 2) In accordance with regulation 268 of SEBI (ICDR) Regulation 2018, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
- 3) In accordance with Regulation 246 the SEBI (ICDR) Regulation 2018, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the soft copy of prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI immediately upon registration of the prospectus with the Registrar of Companies.
- 4) In accordance with Regulation 261 of the SEBI (ICDR) Regulation 2018, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- 5) The company should be incorporated under the companies Act 1956
- 6) The post issue paid up capital of the company (face value) shall not be more than ₹2500.00 Lakh
- 7) The Company should have positive net-worth.
- 8) The company should have a track record of atleast 3 years.
- 9) The company should have combined positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net worth should be positive
- 10) The Company should have a website
- 11) It is mandatory for the company to facilitate trading in demat securities and enter into an agreement with both the depositories
- 12) There should not be any change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment.
- 13) The company should not have been referred to Board for Industrial and Financial Reconstruction.
- 14) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- 15) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- 16) Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations 2018 and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.
- 17) Thus the Company is eligible for the Issue in accordance with Regulation 229(1) and other provision of Chapter IX of SEBI (ICDR) Regulations, 2018 as the post –issue face value capital does exceed ₹1000 Lakhs. Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares.

Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI (ICDR) Regulations, 2018, an Issuer can either determine the Issue Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Issue (“Fixed Price Issue”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in this Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Applicants should refer to the Draft Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

The present issue is 100% Fixed Price Issue.

Offer Period

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged prospectus or Draft Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange.

Migration to Main Board

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

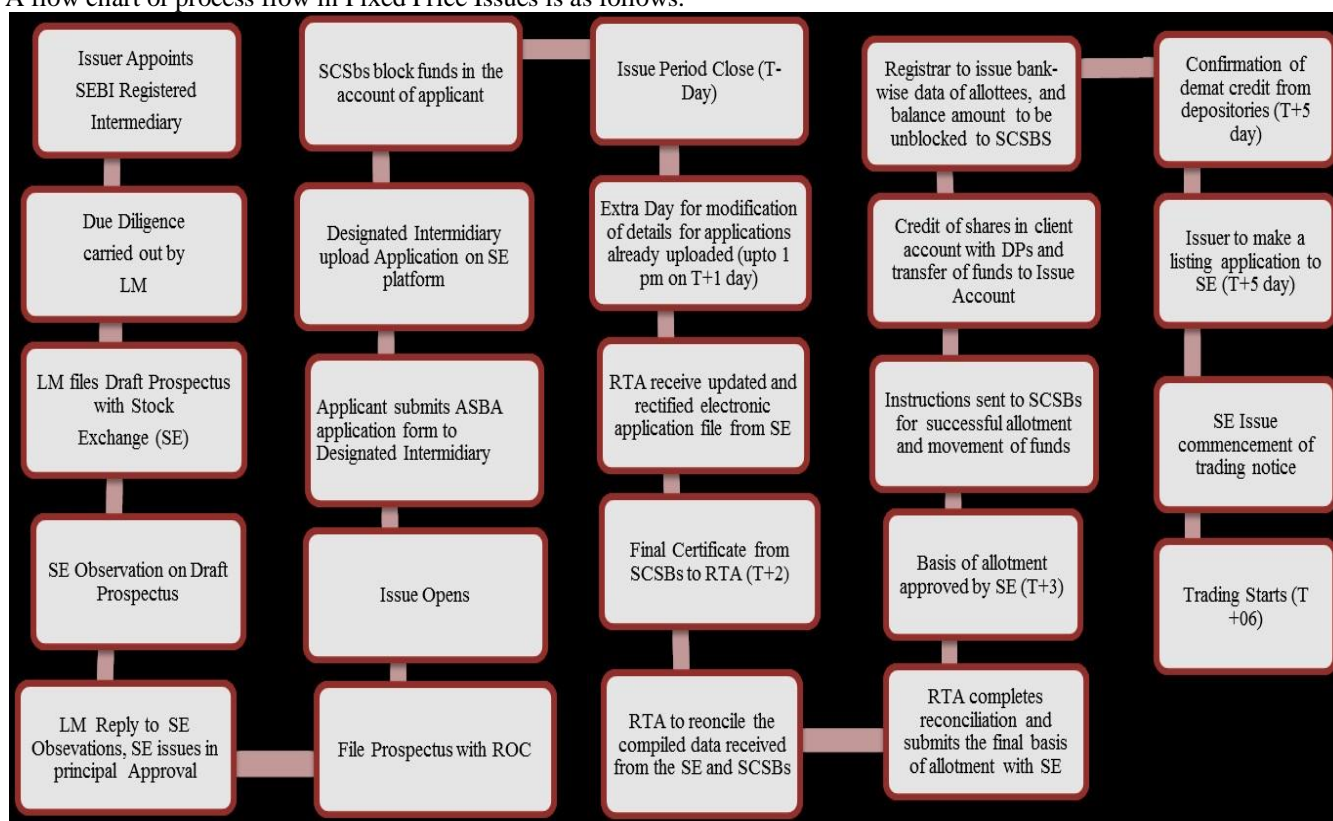
If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), The Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the Paid up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by Share holders other than promoter shareholders against the proposal.

FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price Issues is as follows:



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Draft Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2018 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, VCFs and FVC are registered with SEBI.
- Limited liability partnerships registered in India and authorized to invest in equity shares.
- State Industrial Development Corporations.
- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/ societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Scientific and or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of ₹ 2500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no F.No.2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy, air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply to this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian Laws.

Application not should be made by:

- Minors (Except under guardianship)
- Partnership firms or their nominees
- Foreign Nations (Except NRIs)
- Overseas Corporate Bodies

As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the LM. For further details regarding availability of Application Forms, Applicants may refer to the Draft Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Application Form for various categories of Applicants is as follows:

| Category | Colour |
|--|---------------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA) | White |
| Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA) | Blue |

Please note that in terms of regulation 256 of the SEBI (ICDR), 2018 read with SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public issues by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants.

Investors are advised to carefully refer SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 for the procedure to be followed for applying through UPI

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

INSTRUCTIONS FOR FILING APPLICATION FORM/APPLICATION FORM (FIXED PRICE ISSUE)

Applicants may note that forms not filled completely or correctly as per instructions provided in this GUID, the prospectus and Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

| | |
|---|--|
| ISSUE PROGRAMME : ISSUE OPENS ON: [●] ISSUE CLOSES ON: [●] | |
| COMMON APPLICATION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - R Registered Office: Abcd EfgH Ijklm Nopqrst Uvwxyz; Abcd EfgH Ijklm Nopqrst Uvwxyz, Corporate Office: Abcd EfgH Ijklm Nopqrst Uvwxyz, CIN: ABCD1234ABDC1234BCDE, Tel: +91 1234567890; E-mail: abcdefgh@abc.com; Website: www.abcdefghijkl.com |
| FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPAIRATION BASIS | |
| LOGO | To: The Board of Directors XYZ LIMITED FIXED PRICE SME ISSUE ISIN - INE1234567890 |
| Application Form No. _____ Date: _____ | |
| BROKER'S /SCSB/ DP/ RIA STAMP & CODE SUB-BROKER'S /SUB-AGENT'S STAMP & CODE SCSB / BANK BRANCH STAMP & CODE SCSB / BANK BRANCH SERIAL NO. | 1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____ 2. PAN OF SOLE/FIRST APPLICANT _____ |
| 3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 Digit DPID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID. | |
| 4. APPLICATION DETAILS No. of Equity Shares of ₹ [●]/- each applied at the Issue Price i.e. at ₹ [●]/- per share ¹ (In Figures) _____ (In Words) _____ ALLOTMENT WILL BE IN DEMAT MODE ONLY ² | |
| 5. CATEGORY <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB | |
| 6. INVESTOR STATUS <input type="checkbox"/> Individual <input type="checkbox"/> IND <input type="checkbox"/> Non-Resident Indian <input type="checkbox"/> NRI (Non-Resident Indian) <input type="checkbox"/> Hindu Undivided Family* <input type="checkbox"/> HUF <input type="checkbox"/> Bodas Corporate <input type="checkbox"/> CO <input type="checkbox"/> Banks & Financial Institutions <input type="checkbox"/> FI <input type="checkbox"/> Mutual Funds <input type="checkbox"/> MF <input type="checkbox"/> National Investment Funds <input type="checkbox"/> NIF <input type="checkbox"/> Insurance Funds <input type="checkbox"/> IF <input type="checkbox"/> Insurance Companies <input type="checkbox"/> IC <input type="checkbox"/> Venture Capital Funds <input type="checkbox"/> VCF <input type="checkbox"/> Alternative Investment Funds <input type="checkbox"/> AIF <input type="checkbox"/> Others (Please Specify) <input type="checkbox"/> OTH | |
| 7. PAYMENT DETAILS PAYMENT OPTION : Full Payment Amount Blocked (₹ in Figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____ UPI ID (Maximum 45 characters) _____ I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED Abridged Prospectus and the General Information Document for Investors in the Public Issue (GID) and HEREBY AGREE AND CONFIRM THE "DISBURSE UNDER TAKING" AS GIVEN OVER LEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVER LEAF. | |
| 8 A. SIGNATURE OF SOLE / FIRST APPLICANT Date: _____ 2019 | 8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____ BROKER / SCSB / DP / RIA STAMP (Acknowledging upload of Application in Stock Exchange System) |
| TEAR HERE | |
| LOGO | XYZ LIMITED - INITIAL PUBLIC ISSUE - R Acknowledgement Slip for Broker/SCSB/ DP/ RIA |
| Application Form No. _____ | |
| PAN of Sole/First Applicant _____ | |
| Amount Blocked (₹ in figures) _____ ASBA Bank & Branch _____ ASBA Bank A/c No./UPI ID _____ Received from Mr/Ms _____ Telephone / Mobile _____ Email _____ | Stamp & Signature of SCSB Branch |
| TEAR HERE | |
| XYZ LIMITED - INITIAL PUBLIC ISSUE - R No. of Equity Shares _____ Amount Blocked (₹) _____ ASBA Bank A/c No. / UPI ID _____ Bank & Branch _____ | Stamp & Signature of SCSB/Broker/ DP/RIA Name of Sole / First Applicant _____ Acknowledgement Slip for Applicant Application Form No. _____ |
| Important Note: Application made using third party UPI ID or ASBA Bank A/c are liable to be rejected. | |

| | | |
|---|---|---|
| ISSUE PROGRAMME : ISSUE OPENS ON: [●] ISSUE CLOSES ON: [●] | | |
| COMMON APPLICATION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Registered Office: Abcd Efgh Ijklm Nopqrst Uvwxyz Abcd Efgh Ijklm Nopqrst Uvwxyz, Corporate Office: Abcd Efgh Ijklm Nopqrst Uvwxyz, CIN: ABCD1234ABDC123ABCDE, Tel: +91 1234567890; E-mail: abcdefgh@abc.com; Website: www.abcdefghijkl.com | |
| FOR NON-RESIDENT INCLUDING ELIGIBLE NRIs, FPIs or FVCI's ETC. APPLYING ON A REPATRIATION BASIS | | |
| LOGO | To, The Board of Directors XYZ LIMITED FIXED PRICE SME ISSUE ISIN - INE1234567890 Application Form No. _____ Date: _____ | |
| BROKER'S / SCSB / DP / RTA STAMP & CODE | SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | 1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT Mr. / Ms. _____ Age _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____ |
| SCSB / BANK BRANCH STAMP & CODE | SCSB / BANK BRANCH SERIAL NO. | 2. PAN OF SOLE/FIRST APPLICANT _____ |
| 3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID. | | 6. INVESTOR STATUS <input type="checkbox"/> Non-Resident Indians (Repatriation basis) NRI <input type="checkbox"/> FII or Sub Account not a Corporate / Foreign Individual FI <input type="checkbox"/> FII Sub Account Corporate/ Individual FII SA <input type="checkbox"/> Foreign Venture Capital Investor FVCI <input type="checkbox"/> Foreign Portfolio Investors FPI <input type="checkbox"/> Others (Please Specify) OTH |
| 4. APPLICATION DETAILS No. of Equity Shares of ₹ [●]/- each applied at the Issue Price i.e. at ₹ [●]/- per share ^{1 & 2} (In Figures) _____ (In Words) _____ ALLOTMENT WILL BE IN DEMAT MODE ONLY ² | | |
| 5. CATEGORY <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB | | |
| ¹ Please note that applications must be made in minimum of [●] shares and further multiples of [●] shares accordingly. ² Please note that the equity shares on allotment will be allotted only in the dematerialized mode on the SME Platform of BSE. | | |
| 7. PAYMENT DETAILS PAYMENT OPTION : Full Payment Amount Blocked (₹ in Figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____ UPI Id (Maximum 43 characters) _____ | | |
| I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF. | | |
| SA. SIGNATURE OF SOLE / FIRST APPLICANT _____ Date: _____, 2019 | SB. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (We authorize the SCSB to do all acts as are necessary to make the Application in this issue) 1) _____ 2) _____ 3) _____ | BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System) |
| TEAR HERE | | |
| LOGO | XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Acknowledgement Slip for Broker/SCSB/DP/RTA | Application Form No. _____ PAN of Sole/First Bidder _____ |
| DPID / CLID _____ Amount Blocked (₹ in figures) _____ Bank & Branch _____ ASBA Bank A/c No./UPI Id _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____ | Stamp & Signature of SCSB Branch _____ | |
| TEAR HERE | | |
| XYZ LIMITED - INITIAL PUBLIC ISSUE - NR No. of Equity Shares _____ Amount Blocked (₹) _____ ASBA Bank A/c No./UPI Id _____ Bank & Branch _____ Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected. | Stamp & Signature of SCSB/Broker/DP/RTA _____ | Name of Sole / First Applicant _____ Acknowledgement Slip for Applicant Application Form No. _____ |

NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

Mandatory Fields: Applicants should note that the name and address fields are compulsory and email and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

Joint Applications: In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favor of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

Impersonation: Attention of the Applicants is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a Company in different names or indifferent combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name, Shall be liable for action under section 447 of the said Act.”

Nomination Facility to Applicant: Nomination facility is available in accordance with the provisions of Section 109A of the Companies Act. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST APPLICANT

PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

Application Forms which provide the General Index Register Number instead of PAN may be rejected.

Applications by Applicants whose demat accounts have been “suspended for credit” are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

3.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS

Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to be rejected.

Applicants should ensure that the beneficiary account provided in the Application Form is active.

Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to an Issue.

Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

FIELD NUMBER 4: APPLICATION DETAILS

The Issuer may mention Price in the Draft Prospectus. However a prospectus registered with ROC contains one price.

Minimum and Maximum Application Size

For Retail Individual Applicants

The Application must be for a minimum of 6,000 Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed ₹ 2,00,000, they can make Application for maximum 1 lot i.e. for 6,000 Equity Shares.

For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 6,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non- Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Prospectus.

Multiple Applications: An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Application Collecting Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FPI sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.

For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

The following applications may not be treated as multiple Applications:

Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.

Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.

Applications by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

FIELD NUMBER 5: CATEGORY OF APPLICANTS

The categories of applicants identified as per the SEBI ICDR Regulations, 2018 for the purpose of Application, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2018. For details of any reservations made in the Issue, applicants may refer to the Draft Prospectus.

The SEBI ICDR Regulations, 2018 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation, applicant may refer to the Draft Prospectus.

FIELD NUMBER 6: INVESTOR STATUS

Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Draft Prospectus for more details.

Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.

Applicants should ensure that their investor status is updated in the Depository records.

FIELD NUMBER 7: PAYMENT DETAIL

All Applicants are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the funds shall be blocked for Amount net of Discount. Only in cases where the Draft Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.

All categories of investors can participate in the Issue only through ASBA mechanism.

Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

Payment instructions for Applicants

Applicants may submit the Application Form either in physical mode or online mode to any Designated Intermediaries. Applicants should specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

Applicant should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

Applicant shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

From one ASBA Account, a maximum of five Application Forms can be submitted.

Applicants applying through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Application Forms (a list of such branches is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>).

Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Application Forms.

ASBA Applicant applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

Upon receipt of Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form may upload the details on the Stock Exchange Platform.

If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

SCSBs applying in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

Unblocking of ASBA Account

Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected/ partial/ non-allotment ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

Discount (if applicable)

The Discount is stated in absolute rupee terms.

RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Draft Prospectus.

For the Applicants entitled to the applicable Discount in the Issue the Application Amount less Discount (if applicable) shall be blocked.

Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

If the ASBA Account is held by a person or persons other than the ASBA Applicant., then the Signature of the ASBA Account holder(s) is also required.

In relation to the ASBA Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.

Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediaries, as applicable, for submission of the Application Form.

(a) All communications in connection with Applications made in the Issue should be addressed as under:

In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Applicants should contact the Registrar to the Issue.

In case of ASBA applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.

Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.

(b) The following details (as applicable) should be quoted while making any queries –

Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, UPI ID, PAN, number of Equity Shares applied for, amount blocked on application.

Name and address of the Designated Intermediary, where the Application was submitted; or

In case of ASBA applications, ASBA Account number in which the amount equivalent to the application amount was blocked. For further details, Applicant may refer to the Draft Prospectus and the Application Form.

INSTRUCTIONS FOR FILING THE REVISION FORM

During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately. RII may revise their applications till closure of the issue period or withdraw their applications until finalization of allotment. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

| | | |
|--|--|--|
| ISSUE PROGRAMME : ISSUE OPENS ON: [●] ISSUE CLOSES ON: [●] | | |
| COMMON APPLICATION REVISION FORM | XYZ LIMITED - PUBLIC ISSUE - REVISION - R Registered Office: Abcd Efgh Ijklm Nopqrst Uvwxyz Abcd Efgh Ijklm Nopqrst Uvwxyz. Corporate Office: Abcd Efgh Ijklm Nopqrst Uvwxyz. CIN: ABCD1234ABDC1234BCDE. Tel: +91 1234567890; E-mail: abc@efgh@ijkl.com; Website: www.abcdefg@ijkl.com | FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS |

LOGO To, The Board of Directors XYZ LIMITED

FIXED PRICE SME ISSUE
ISIN - INE1234567890

Application Form No. _____ Date: _____

| | | |
|---|---|--|
| BROKER'S / SCBS / DP / RTA STAMP & CODE | SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | 1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT |
| | | Mr./Ms |
| | | Address |
| | | |
| | | Tel. No (with STD code) / Mobile |
| SCSB / BANK BRANCH STAMP & CODE | SCSB / BANK BRANCH SERIAL NO. | 2. PAN OF SOLE/FIRST APPLICANT |
| | | |
| | | 3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS NSDL <input type="checkbox"/> CDSL <input type="checkbox"/> |
| | | For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID |

PLEASE CHANGE MY APPLICATION PHYSICAL

4. FROM (as per last Application or Revision)

| Options | No. of Equity Shares applied (Application must be in multiples of 100 equity shares) | | Price per Equity Share (₹) [●] :- | | |
|---------------|--|--|-----------------------------------|------------------|-----------|
| | (In Figures) | | Issue Price | Discount, if any | Net Price |
| Option 1 | | | | | |
| (OR) Option 2 | | | | | |
| (OR) Option 3 | | | | | |

5. TO (Revised Application)

| Options | No. of Equity Shares applied (Application must be in multiples of 100 equity shares) | | Price per Equity Share (₹) [●] :- | | |
|---------------|--|--|-----------------------------------|------------------|-----------|
| | (In Figures) | | Issue Price | Discount, if any | Net Price |
| Option 1 | | | | | |
| (OR) Option 2 | | | | | |
| (OR) Option 3 | | | | | |

6. PAYMENT DETAILS PAYMENT OPTION : Full Payment

Amount Blocked (₹ in Figures) _____ (₹ in words) _____

ASBA Bank A/c No. _____

Bank Name & Branch _____

UPI Id _____ (Maximum 45 characters)

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVER LEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVER LEAF.

| | | |
|---|--|---|
| 7A. SIGNATURE OF SOLE / FIRST APPLICANT | 7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) | BROKER / SCBS / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System) |
| | I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue | |
| Date: _____, 2019 | 1) _____ 2) _____ 3) _____ | |

TEAR HERE

LOGO **XYZ LIMITED - INITIAL PUBLIC ISSUE - REVISION - R** Application Form No. _____

| | | |
|--|--------------------|----------------------------------|
| DEPD / CDSL / PAN | | |
| Additional Amount Blocked (₹ in figures) | ASBA Bank & Branch | Stamp & Signature of SCSB Branch |
| ASBA Bank A/c No./UPI Id | | |
| Received from Mr./Ms. | | |
| Telephone / Mobile | Email | |

TEAR HERE

| | | | | | | |
|--|-------------------------------|----------|----------|----------|---|--------------------------------|
| XYZ LIMITED - INITIAL PUBLIC ISSUE - REVISION - R | No. of Equity Shares | Option 1 | Option 2 | Option 3 | Stamp & Signature of SCSB/Broker/DP/RTA | Name of Sole / First Applicant |
| | Issue Price | | | | | |
| | Additional Amount Blocked (₹) | | | | | |
| | ASBA Bank A/c No. / UPI Id | | | | | |
| Bank & Branch | | | | | | |
| Application Form No. _____ | | | | | | Application Form No. _____ |

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

| | | |
|--|--|--|
| ISSUE PROGRAMME : ISSUE OPENS ON: [●] ISSUE CLOSES ON: [●] | | |
| COMMON APPLICATION REVISION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR Registered Office: Abcd Efgh Ijklm Nopqrst Uvwxyzs Abcd Efgh Ijklm Nopqrst Uvwxyzs, Corporate Office: Abcd Efgh Ijklm Nopqrst Uvwxyzs, CIN: ABCD1234ABDC1234BCDE; Tel: +91 1234567890; E-mail: abcdefgh@abce.com; Website: www.abcdefghijkl.com | FOR NON-RESIDENT INCLUDING ELIGIBLE NRIs, FPIs or FVCI's E.T.C. APPLYING ON A REPATRIATION BASIS |

| | | | | |
|---|--|--|----------------------------|-------------|
| LOGO | To, The Board of Directors XYZ LIMITED | FIXED PRICE SME ISSUE ISIN - INE1234567890 | Application Form No. _____ | Date: _____ |
| BROKER'S / SCSB / DP / RTA STAMP & CODE | SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | 1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT Mr. / Ms _____ Address _____ _____ Tel. No (with STD code) / Mobile _____ | | |
| SCSB / BANK BRANCH STAMP & CODE | SCSB / BANK BRANCH SERIAL NO. | 2. PAN OF SOLE/FIRST APPLICANT _____ | | |
| | | 3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS NSDL _____ CDSL _____ <small>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</small> | | |

PLEASE CHANGE MY APPLICATION PHYSICAL

| 4. FROM (as per last Application or Revision) | | | | | | | | | |
|---|---|--|--|--|--|---------------------------------|------------------|-----------|--|
| Options | No. of Equity Shares applied (Application must be in multiples of 100 equity shares) | | | | | Price per Equity Share (₹) 10/- | | | |
| | (In Figures) | | | | | Issue Price | Discount, if any | Net Price | |
| Option 1 | | | | | | | | | |
| (OR) Option 2 | NOT APPLICABLE | | | | | NOT APPLICABLE | | | |
| (OR) Option 3 | NOT APPLICABLE | | | | | NOT APPLICABLE | | | |

| 5. TO (Revised Application) | | | | | | | | | |
|-----------------------------|---|--|--|--|--|---------------------------------|------------------|-----------|--|
| Options | No. of Equity Shares applied (Application must be in multiples of 100 equity shares) | | | | | Price per Equity Share (₹) 10/- | | | |
| | (In Figures) | | | | | Issue Price | Discount, if any | Net Price | |
| Option 1 | | | | | | | | | |
| (OR) Option 2 | NOT APPLICABLE | | | | | NOT APPLICABLE | | | |
| (OR) Option 3 | NOT APPLICABLE | | | | | NOT APPLICABLE | | | |

| 6. PAYMENT DETAILS | | | | | PAYMENT OPTION : Full Payment |
|--|--|--|--|--|-------------------------------|
| Amount Blocked (₹ in Figures) _____ (₹ in words) _____ | | | | | |
| ASBA Bank A/c No. _____ | | | | | |
| Bank Name & Branch _____ | | | | | |
| UPI Id _____ <small>(Maximum 43 characters)</small> | | | | | |

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED A BRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

| | | |
|---|--|---|
| 7 A. SIGNATURE OF SOLE / FIRST APPLICANT _____ Date: _____, 2018 | 7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____ | BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System) |
|---|--|---|

TEAR HERE

| | | | |
|--|---|--|--|
| LOGO | XYZ LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR | Acknowledgment Slip for Broker/SCSB/DP/RTA | Application Form No. _____ |
| DEID / CLID | _____ | PAN | _____ |
| Additional Amount Blocked (₹ in figures) | | Bank & Branch | SCSB Branch Stamp & Signature _____ |
| ASBA Bank A/c No./UPI Id: | | | |
| Received from Mr/Ms | _____ | | |
| Telephone / Mobile | _____ | Email | _____ |

| | | | | | |
|---|----------|----------|----------|---|--|
| XYZ LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR | Option 1 | Option 2 | Option 3 | Stamp & Signature of SCSB/Broker/DP/RTA | Name of Sole / First Applicant |
| No. of Equity Shares | | | | _____ _____ | _____ _____ |
| Name Price | | | | | |
| Additional Amount Blocked (₹) | | | | | |
| ASBA Bank A/c No./UPI Id: _____ | | | | | Acknowledgment Slip for Applicant |
| Bank & Branch: _____ | | | | | Application Form No. |

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

FIELD 4 & 5: APPLICATION REVISION “FROM” AND “TO”

Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of the share applied for given in his or her Application Form or earlier Revision Form.

In case of revision of Applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, should not exceed ₹2,00,000/- due to revision and the application may be considered, subject to the eligibility, for allocation under the Non-Institutional Category.

FIELD 6: PAYMENT DETAILS

Applicants are required to make payment of the full application along with the Revision Form.

Applicant may Issue instructions to block the revised amount in the ASBA Account, to the Designated Branch through whom such Applicant had placed the original Application to enable the relevant SCSB to block the additional Application Amount, if any.

4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

SUBMISSION OF REVISION FORM/ APPLICATION FORM

Applicants may submit completed application form / Revision Form in the following manner:-

| Mode of Application | Submission of application Form |
|----------------------------|--|
| All Investors Application | To the Application Collecting Intermediaries |

Section 5: Issue Procedure in Fixed Price Issue

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the prospectus with the RoC, the Application so submitted is considered as the application form. Applicants may only use the specified Application Form for the purpose of making an Application in terms of the prospectus which may be submitted through Designated Intermediary.

Applicants may submit an Application Form either in physical/ electronic form to Designated Intermediaries or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

Grounds for technical rejections

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:-

1. Amount paid does not tally with the amount payable for the Equity shares applied for;
2. In case of partnership firms, Application for Equity Shares made in the name of the individual partners and not firm as such shall be entitled to apply.
3. Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
4. PAN not mentioned in the Application Form.

5. GIR number furnished instead of PAN.
6. Applications for lower number of Equity Shares than the minimum specified for that category of investors;
7. Applications at a price other than the Fixed Price of the Issue;
8. Applications for number of Equity Shares which are not in multiples of applicable lot size;
9. Category not ticked;
10. Multiple Applications as defined in this Draft Prospectus as such, based on common PAN;
11. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
12. Signature of sole Applicant is missing;
13. Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and prospectus as per the instructions in the prospectus and Application Forms;
14. In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
15. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
16. Applications by OCBs;
17. Applications by US person other than in reliance on Regulations or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
18. Application not duly signed by the sole applicant;
19. Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
20. Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
21. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
22. Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals.
23. Application or revision thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹. 200000 received after 3.00 pm on the issue closing date unless the extended time is permitted by BSE.
24. Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
25. Where no confirmation is received from SCSB for blocking of funds;
26. Applications by Applicants not submitted through ASBA process;
27. Applications not uploaded on the terminals of the Stock Exchanges; and
28. Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.

Details of ASBA Account not provided in the Application form

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of GID.

APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

Section 6: Issue Procedure in Book Built Issue

This being Fixed Price Issue, this section is not applicable for this Issue.

Section 7: Allotment Procedure and Basis of Allotment

Basis of Allotment

Allotment will be made in consultation with BSE SME (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here: The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).

The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

For applications where the proportionate allotment works out to less than 6,000 Equity Shares the allotment will be made as follows:

Each successful applicant shall be allotted 6,000 Equity Shares;

The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

If the proportionate allotment to an applicant works out to a number that is not a multiple of 6,000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 6,000 Equity Shares subject to a minimum allotment of 6,000 Equity Shares.

If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 6,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.

The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:

As per Regulation 32(4) of the SEBI (ICDR) Regulations 2018, as the Retail Individual Investor category is entitled to minimum fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Remaining to Individual applicants other than retail individual investors and other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

The unsubscribed portion in either of the categories specified in (a) or (b) above may be available for allocation to the applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of BSE- BSESME.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

Designated Date: On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.

Issuance of Allotment Advice: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 5 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within 5 Working Days of the Issue Closing Date,

Section 8: Interest and Refunds

COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Issue Closing Date.

GROUND FOR UNBLOCKING OF FUNDS

Non Receipt of Listing Permission

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Draft Prospectus. The Designated Stock Exchange may be as disclosed in the Draft Prospectus with which the Basis of Allotment may be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith initiate action to unblock the application amount from the Investors accounts. If such money is not repaid within the eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of Companies Act, and disclosed in the Draft Prospectus.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of Companies Act, 2013 if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the prospectus, the application money has to be returned within such period as may be prescribed. If our company does not receive the 100% subscription of the offer through the Offer Document including devolvement of underwriters, if any, within sixty (60) days from the date of closure of the issue, our company shall forthwith unblock the entire application amount received. If there is a delay beyond eighty days after our company becomes liable to pay the amount, our company and every officer in default will, on and from the expiry of this period be jointly and severally liable to repay the money, with interest or other penalty as prescribed under SEBI Regulations, the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50 no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked within 6working days of closure of the issue.

Further in accordance with Regulation 267 of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹100000/- (Rupees One Lakh) per application.

The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.

Minimum Number of Allottees

The Issuer may ensure that the number of prospective allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be unblocked forthwith.

MODE OF UNBLOCKING OF FUNDS

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

8.3.1 Mode of making refunds for Applicants

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

Interest In Case Of Delay in Allotment

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date. The Issuer may pay interest at 15% per annum for any delay beyond 6 working days from the Issue Closing Date, if Allotment is not made.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FEMA and various regulations made thereunder. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”) makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DIPP also issues the Consolidated Foreign Direct Investment Policy from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

The current consolidated FDI policy circular of 2017, dated August 28, 2017 issued by the DIPP (“FDI Policy”) consolidates the policy framework which was in force as on August 28, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route.

RBI has also issued Master Direction- Foreign Investment in India dated January 4, 2018. In terms of the Master Direction, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. 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 U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION VIII MAIN PROVISION OF ARTICLES OF ASSOCIATION

The regulations contained in Table 'F' of the First Schedule to the Companies Act, 2013 shall not apply to the Company, except in so far as they are embodied in the following Articles, which shall be regulations for the management of the Company.

1. Interpretations:

In the interpretation of these Articles, the following words and expressions shall have the meanings assigned hereunder, unless repugnant to the subject matter or context thereof:

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| Act | Means the Companies Act, 2013 and any statutory modification or re-enactment thereof for the time being in force and Companies Act, 1956 (to the extent not repealed/ not replaced by the Companies Act, 2013), as applicable. |
| Articles or these Articles | Means the articles of association of the Company, as amended from time to time. |
| Annual General Meeting | Means a general meeting of the members held in accordance with the provisions of Section 96 of the Act or any adjourned meeting thereof. |
| Auditors | Means and include those persons appointed as such for the time being by the Company or, where so permitted by Applicable Law, by its Board |
| Applicable Law | Means the Act, and as appropriate, includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time to time. |
| Beneficial Owner | Means and include beneficial owner as defined in clause (a) sub-Section (1) of Section 2 of the Depositories Act, 1996. |
| Board Meeting | Means a meeting of the Directors or a committee thereof, duly called and constituted. |
| Board or Board of Directors or the Board | Means the board of Directors for the time being of the Company |
| Chairperson | Shall mean the Person who acts as a chairperson of the Board of the Company |
| Committee | Means any committee of the Board of Directors of the Company formed as per the requirements of Act or for any other purpose as the Board may deem fit |
| Company or This Company | Means SK International Export Limited |
| Chief Executive Officer | Means an officer of a Company, who has been designated as such by the Company |
| Chief Financial Officer | Means a person appointed as the Chief Financial Officer of a Company |
| Company Secretary or Secretary | Means a company secretary as defined in clause (c) of sub-Section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by the Company to perform the functions of a company secretary under the Act |
| Debenture | Includes debenture-stock, bonds and any other debt securities of the Company, whether constituting a charge on the assets of the Company or not. |
| Depositories Act | Shall mean the Depositories Act, 1996 and includes any statutory modification or enactment thereof |
| Depository | Shall mean a Depository as defined in clause (e) sub-section (1) of section 2 of the Depositories Act, 1996 and includes a company formed and registered under the Companies Act, 1956 which has |

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| | been granted a certificate of registration under sub Section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992. |
| Director | Means a director of the Company for the time being, appointed as such. |
| Dividend | Includes interim dividend. |
| Extraordinary General Meeting | Means an extraordinary general meeting of the Members duly called and constituted and any adjourned meeting thereof. |
| Financial Year | Means the same as in Section 2(41) of the Act |
| Free Reserves | Means such reserves which, as per the latest audited balance sheet of a company, are available for distribution as Dividend: Provided that— (i) any amount representing unrealized gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or (ii) any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves |
| In writing or written | Means and include printing, typing, lithographing, computer mode and other modes of reproducing words in visible form |
| Independent Director | Means a Director fulfilling the criteria of independence and duly appointed as per Applicable Law. |
| Key Managerial Personnel | Means such persons as defined in Section 2(51) of Act |
| Managing Director | Means a Director who, by virtue of the Articles of the Company or an agreement with the Company or a resolution passed in its General Meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a Director occupying the position of managing Director, by whatever name called. |
| General Meeting | Means a meeting of Members of the Company. |
| Members | Member in relation to the Company, means- (a) the subscribers to the Memorandum of Association of the Company who shall be deemed to have agreed to become members of the company, and on its registration, shall be entered as member in its register of members, (b) every other person who agrees in writing to become a member of the Company and whose name is entered in the register of members of the Company; (c) every person holding shares in the Company and whose name is entered in as a Beneficial Owner in the records of a Depository. |
| Memorandum or Memorandum of Association | Means the memorandum of association of the Company, as amended from time to time. |
| Month | Means a calendar month |
| Ordinary Resolution | Means a resolution referred to in Section 114 of the Act. |
| Persons | Includes any artificial juridical person, corporations or such other entities as are entitled to hold property in their own name. |
| Postal Ballot | Means voting by post through postal papers distributed amongst eligible voters and shall include voting by electronic mode or any other mode as permitted under Applicable Law |
| Register of Beneficial Owners | Means the register of members in case of shares held with a Depository in any media as may be permitted by law, including in any form of electronic mode |
| Register of Members | Means the register of Members, including any foreign register which the Company may maintain pursuant to the Act and includes Register of Beneficial Owners. |
| Registrar | Means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated |
| Seal | Means the common seal, if any, adopted for the time being of the Company |

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| Section | Means the relevant section of the Act; and shall, in case of any modification or re-enactment of the Act shall be deemed to refer to any corresponding provision of the Act as so modified or reenacted. |
| Securities | Means Shares, Debentures and/or such other securities as may be treated as securities under Applicable Law. |
| Shares | Means the shares into which the Share Capital of the Company is divided. |
| Share Capital or Capital | Means the share capital for the time being raised or authorized to be raised, for the purpose of the Company |
| Special Resolution | Means a resolution referred to in Section 114 of the Act. |
| These Presents | Means the Memorandum of Association and the Articles of Association of the Company. |
| Tribunal | Means the National Company Law Tribunal constituted under section 408 of the Act |
| Voting Right | Means the right of a Member of a Company to vote in any meeting of the Company |
| Written” or “in writing | means and includes the word printed, lithographed, represented in or reproduced in any mode in a visible form |
| Year | Means the Financial Year of the Company |

Public Limited Company : means as Company which –

- a. is not a private company
- b. has a minimum paid up share capital, as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles. 1.3 Expressions not specifically defined in these Articles shall bear the same meaning as assigned to the them in the Act

In the interpretation of these Articles,

- a. any reference to the singular shall include the plural and vice-versa; and
- b. any references to the masculine, the feminine and the neuter shall include each other.

The marginal notes hereto shall not affect the construction of these Articles.

SHARE CAPITAL, INCREASE AND REDUCTION OF CAPITAL

Amount of Capital

2. The Authorized Share Capital of the Company shall be such as may be specified from time to time in Clause V of the Memorandum of Association, with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes as permissible in Applicable Law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by the Board, and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions.

Increase of Capital by the Company

3. Subject to Applicable Law, the Board may, from time to time, increase the paid-up Share Capital by creation of new Shares. Such increase shall be of such aggregate amount and to be divided into such Shares of such respective amounts, as the resolution of the Board shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased Share Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Board shall determine, and in particular, such Shares may be issued with a preferential or qualified right to dividends, or otherwise, or with a right to participate in some profits or assets of the Company, or with such differential or qualified right of voting at General Meetings of the Company, as permitted in terms of Section 47 of the Act or other Applicable Law.

New Capital part of the existing Capital

4. Except in so far as otherwise provided in the conditions of issue of Shares, any Capital raised by the creation of new Shares shall be considered as part of the existing Capital, and shall be subject to provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Issue of redeemable preference shares

5. Subject to the provisions of Section 55 of the Act and these Articles, the Company shall have the power to issue redeemable preference Shares liable to be redeemed at the option of the Company and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

Provisions applicable to any other Securities

6. The Board shall be entitled to issue, from time to time, subject to Applicable Law, any other Securities, including Securities convertible into Shares, exchangeable into Shares, or carrying a warrant, with or without any attached Securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue. Such Securities may be issued at premium or discount, and redeemed at premium or discount, as may be determined by the terms of the issuance: Provided that the Company shall not issue any Shares or Securities convertible into Shares at a discount.

Reduction of Capital

7. The Company may, subject to the provisions of Section 66 of the Act or any other Applicable Law for the time being in force, by way of Special Resolution reduce its Share Capital, any capital redemption reserve account or share premium account in any manner for the time being authorized by law.

Sub-division, consolidation and cancellation of Shares

8. Subject to the provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them, and the resolution where by any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend or otherwise over or as compared with the others. 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.

Variation of rights

9. Whenever the Share Capital is divided into different types or classes of shares, all or any of the rights and privileges attached to each type or class may, subject to the provisions of Sections 48 of the Act, be varied with the consent in writing by holders of at least three-fourths of the issued Shares of the class or is confirmed by a Special Resolution passed at a separate Meeting of the holders of Shares of that class and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such class Meeting.

Further issue of Capital

10. Where at any time it is proposed to increase the subscribed Capital of the Company by allotment of further Shares, then:

Such further Shares shall be offered to the persons who on the date of the offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the Capital paid-up on those shares at the date.

Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of any other person and the notice referred to in Article 10.2 hereof shall contain a statement of this right.

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After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the interest of the Company.

11. Notwithstanding anything contained in the Article 10, the further Shares aforesaid may be offered in any manner whatsoever, to:
 - employees under a scheme of employees' stock option scheme;
 - to any persons on private placement or on preferential basis, whether or not those persons include the persons referred to Article 10, either for cash or for a consideration other than cash, if so decided by a Special Resolution, as per Applicable Law.;
12. Nothing contained in these Articles shall apply to the increase of the subscribed Capital of the Company caused by the exercise of an option attached to the Debenture issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company:

Provided that the terms of issue of such Debentures or the terms of such loans containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in general meeting.

Shares at the disposal of the Directors

13. Subject to the Applicable Law, the Securities 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 person, 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 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 or other Securities on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

Power to issue Shares outside India

14. Pursuant to the provisions of Applicable Law and subject to such approvals, permissions and sanctions as may be necessary from the Government of India, Reserve Bank of India and/or any other authorities or institutions as may be relevant (hereinafter collectively referred to as "**Appropriate Authorities**") and subject to such terms and conditions or such modifications thereto as may be prescribed by them in granting such approvals, permissions and sanctions, the Company will be entitled to issue and allot in the international capital markets, Equity Shares and/or any instruments or securities (including Global Depository Receipts) representing Equity Shares, any such instruments or securities being either with or without detachable Warrants attached thereto entitling the Warrant holder to Equity Shares/instruments or Securities (including Global Depository Receipts) representing Equity Shares, (hereinafter collectively referred to as "the Securities") to be subscribed to in foreign currency / currencies by foreign investors (whether individuals and/or bodies corporate and/or institutions and whether shareholders of the Company or not) for an amount, inclusive of such premium as may be determined by the Board. Such issue and allotment to be made on such occasion or occasions, at such value or values, or at a premium and in such form and in manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with Lead Manager and/or Underwriters and/or Legal or other Advisors, or as may be prescribed by the Appropriate Authorities while granting their approvals, permissions and sanctions as aforesaid which the Board be and is hereby authorized to accept at its sole discretion. The provisions of this Article shall extend to allow the Board to issue such foreign Securities, in such manner as may be permitted by Applicable Law.

Acceptance of Shares

15. Any application signed by or on behalf of an applicant, for Shares in the Company, followed by an allotment of any Share shall be an acceptance of shares within the meaning of these Articles and every person who, does or otherwise accepts Shares and whose name is on the Register of Members shall for the purpose of these Articles, be a member.

Deposit and call to be a debt payable immediately

16. The money (if any) which the Board shall, on the allotment of any Share 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 immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Liability of Members

17. Every member, or his heirs, executors or administrators shall pay to the Company the portion of the Capital represented by his Share(s) 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 or fix for the payment thereof.

Shares not to be held in trust

18. Except as required by law, no person shall be recognized by the Company as holding any Share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

The first named joint holder deemed to be sole holder

19. If any Share stands in the names of two or more persons, the person first named in the register shall, as regards receipt of dividends or bonus or service of notice and all or any earlier matter connected with the Company, except voting at meetings, be deemed the sole holder thereof, but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such Shares for all incidents thereof according to the Company's regulations.

Register of Members and index

20. The Company shall maintain a Register of Members and index in accordance with Section 88 of the Act. The details of shares held in physical or dematerialized forms may be maintained in a media as may be permitted by law including in any form of electronic media.
21. A member, or other Security holder or Beneficial Owner may make inspection of Register of Members and annual return. Any person other than the Member or Debenture holder or Beneficial Owner of the Company shall be allowed to make inspection of the Register of Members and annual return on payment of ₹ 50 or such higher amount as permitted by Applicable Law as the Board may determine, for each inspection. Inspection may be made during business hours of the Company during such time, not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time.
22. Such person, as referred to in Article 21 above, may be allowed to make copies of the Register of Members or any other register maintained by the Company and annual return, and require a copy of any specific extract therein, on payment of ₹ 10.00 for each page, or such higher amount as permitted under Applicable Law.

Foreign Registers

23. The Company may also keep a foreign register in accordance with Section 88 of the Act containing the names and particulars of the Members, Debenture holders, other Security holders or Beneficial Owners residing outside India; and the Board may (subject to the provisions of aforesaid Section) make and vary such regulations as it may think fit with respect to any such register.

SHARES CERTIFICATES

Share certificate to be numbered progressively and no Share to be subdivided

24. The shares certificates shall be numbered progressively according to their several denominations specify the shares to which it relates and bear the Seal, if any, of the Company and except in the manner hereinbefore mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share certificate shall continue to bear the number by which the same was originally distinguished.

Provided however that the provision relating to progressive or distinctive numbering of shares shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form.

Limitation of time for issue of certificates

25. Every Member, other than a Beneficial Owner, 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 the Directors may from time to time determine) to several certificates each for one or more of such Shares and the Company shall complete and have ready for delivery of such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide or within one months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of Shares shall be under the Seal, if any, of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a Share(s) 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 or several joint holders shall be a sufficient delivery to all such holders.

Issue of new certificate in place of one defaced, lost or destroyed

26. If any certificate be worn out, defaced, mutilated, old/ or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation then upon production and surrender such certificate to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced as the Board deems 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 this Article shall be issued in case of splitting or consolidation of Share certificate(s) or in replacement of Share certificate(s) that are defaced, mutilated, torn or old, decrepit or worn out without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹50 for each certificate) as the Directors shall prescribe.

Further, no duplicate certificate shall be issued in lieu of those that are lost or destroyed, without the prior consent of the Board and only on furnishing of such supporting evidence and/or indemnity as the Board may require, and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced, without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹50 for each certificate) as the Directors shall prescribe.

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 rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other Act, or rules applicable thereof in this behalf; Provided further that the Company shall comply with the provisions of Section 46 of the Act and other Applicable Law, in respect of issue of duplicate Share certificates.

27. The provision of this Article shall *mutatis mutandis* apply to issue of certificates of Debentures of the Company

BUY BACK OF SECURITIES BY THE COMPANY

28. Notwithstanding anything contained in these Articles but subject to the provisions of the Act and other Applicable Law as prescribed by Securities and Exchange Board of India (SEBI) or any other authority for the time being in force, the Company may purchase its own Shares or other specified Securities. The power conferred herein may be exercised by the Board, at any time and from time to time, where and to the extent permitted by Applicable Law, and shall be subject to such rules, applicable consent or approval as required.

UNDERWRITING AND BROKERAGE*Commission may be paid*

29. Subject to the provisions of the Act and other Applicable Law, and subject to the applicable SEBI guidelines and subject to the terms of issue of the Shares or Debentures or any Securities, as defined in the Securities Contract (Regulations) Act, 1956, the Company may, at any time pay a commission out of proceeds of the issue or profit or both to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or Debentures of the Company, or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for Shares, Debentures or of the Company but so that the commission shall not exceed in the case of shares, five per cent of the price at which the Shares are issued, and in the case of Debentures, two and a half per cent of the price at which the Debentures are issued or at such rates as may be fixed by the Board within the overall limit prescribed under the Act or Securities and Exchange Board of India Act, 1992. Such commission may be satisfied by payment in cash or by allotment of fully or partly paid Shares, Securities or Debentures or partly in one way and partly in the other.

Brokerage

30. The Company may, subject to Applicable Law, pay a reasonable and lawful sum for brokerage to any person for subscribing or procuring subscription for any Securities, at such rate as approved by the Directors.

CALL ON SHARES*Directors may make calls*

31. The Board of Directors may, from time to time and subject to the terms on which Shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, or otherwise as permitted by Applicable Law make such call as it thinks fit upon the Members in respect of all 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 person or persons and at the times and places appointed by the Board of Directors. A call may be made payable in instalments.

Notice of calls

32. Each Member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.
33. A call may be revoked or postponed at the discretion of the Board.

Calls to date from resolution

34. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed as provided herein and may be required to be paid by instalments.

Directors may extend time

35. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, but no member shall be entitled to such extension save as a member of grace and favor.

Calls to carry interest

36. 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 percentage as the Board of Directors may determine. Nothing in this Article shall render it obligatory for the Board of Directors to demand or recover any interest from any such member.
37. The Board shall be at liberty to waive payment of any such interest wholly or in part.

Sums deemed to be calls

38. Any sum, which may by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

Proof on trial of suit for money due on Shares

39. At 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, it 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 subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the Shares in respect of such money is sought to be recovered, that the resolution making the call is duly recorded in the Minutes Book, 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 nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

Partial payment not to preclude forfeiture

40. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

Payment in anticipation of call may carry interest

41. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
42. The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debenture or other Securities of the Company.

LIEN

Company to have lien on Shares

43. The Company shall have a first and paramount lien upon all the Shares/ Debentures/Securities (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/Securities and no equitable interest in any Shares shall be created except upon the footing, and upon the condition that this Article will have full effect and any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares/Debentures/Securities:

Provided that, fully paid shares shall be free from all lien and that in case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

As to enforcing lien by sale

44. For the purpose of enforcing such lien, the Board may sell the Shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorize one of their number to execute a transfer thereof on behalf of and in the name of such member. The purchaser of such transferred Shares shall be registered as the holder of the Shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
45. No sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of fourteen days after a notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of proceeds of sale

46. 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 a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the persons entitled to the Shares at the date of the sale.

FORFEITURE OF SHARE

If call or instalment not paid notice may be given

47. If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or instalment remains unpaid, serve notice on such Member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Form of notice

48. The notice shall:
- name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and shall detail the amount which is due and payable on the Shares and shall state that in the event of non-payment at or before the time appointed, the Shares will be liable to be forfeited.

If notice not complied with, Shares may be forfeited

49. If the requisitions of any such notice as aforesaid be not complied with, any Shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.

Notice of forfeiture to a Member

50. When any Shares shall have been so 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, but no forfeiture shall be in any manner invalidated, by any omission to give such notice or to make any such entry as aforesaid.

Forfeited Share to become property of the Company

51. Any Share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as think fit.

Power to annul forfeiture

52. The Board may, at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Liability on forfeiture

53. 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, instalments, 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 of the payment, at such rate as the Board may determine and the Board may enforce the payment thereof, if it thinks fit. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

Effect of forfeiture

54. The forfeiture of a Share involves extinction, at the time of the forfeiture, of all interest and all claims and demands 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.

Evidence of forfeiture

55. A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that certain Shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.

Cancellation of Share certificate in respect of forfeited shares

56. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, 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 as per the provisions herein.

The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favor of the person to whom the Share is sold or disposed of.

The transferee shall thereupon be registered as the holder of the Share; and

The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

These Articles to apply in case of any non-payment

57. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

EMPLOYEES STOCK OPTIONS

58. Subject to the provisions of Section 62 of the Act and the Applicable Law, the Company may issue options to the any Directors, not being Independent Directors, officers, or employees of the Company, its subsidiaries or its parent, which would give such Directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the Securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees share purchase or both: Provided that it will be lawful for such scheme to require an employee, officer, or Director, upon leaving the Company, to transfer Securities acquired in pursuance of such an option/scheme, to a trust or other body established for the benefit of employees of the Company.

POWER TO ISSUE SWEAT EQUITY SHARES

59. Subject to and in compliance with Section 54 and other Applicable Law, the Company may issue equity Shares to its employees or Director(s) at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.

PREFERENTIAL ALLOTMENT

60. Subject to the provisions of Section 62 the Act, read with the conditions as laid down in the Applicable Law, and if authorized by a Special Resolution passed in a General Meeting, the Company may issue Shares, in any manner whatsoever, by way of a preferential offer or private placement. Such issue on preferential basis or private placement should also comply with the conditions as laid down in Section 42 of the Act and/or Applicable law.

CAPITALIZATION OF PROFITS

61. The Company in General Meeting may, upon the recommendation of the Board, resolve:
- 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 (including capital redemption reserve account), or to the credit of the profit and loss account, otherwise available for distribution or securities premium account; and
- that such sum be accordingly set free for distribution in the manner specified in 61.1 amongst the members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.
62. The sum aforesaid shall not be paid in cash but shall be applied, subject to applicable provisions contained herein, either in or towards:
- paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
- paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;
- partly in the way specified in Article 62.1 and partly in that specified in Article 62.1;
- The Board shall give effect to the resolution passed by the members of the Company in pursuance of this Article.
- Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- 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
- generally, do all such acts and things required to give effect thereto.
63. For the purpose of giving effect to any resolution under Articles 61 and 62, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient.

TRANSFER AND TRANSMISSION OF SHARES

Register of transfers

64. The Company shall keep a register to be called the 'Register of Transfers', and therein shall be fairly and directly entered particulars of every transfer or transmission of any Share. Entries in the register should be authenticated by the secretary of the Company or by any other person authorized by the Board for the purpose, by appending his signature to each entry.

Instruments of transfer

65. The instrument of transfer shall be in writing and duly stamped and in such form as may be prescribed under the Act from time to time and all provisions of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof.

To be executed by transferor and transferee

66. Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such Shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. The Board shall not issue or register a transfer of any Share in favor of a minor (except in cases when they are fully paid up).
67. Application for the registration of the transfer of a Share may be made either by the transferee or the transferor. Where an application is made by the transferor and relates to partly paid up shares, no registration shall be effected unless the Company gives notice of the application to the transferee subject to the provisions of these Articles, Section 56 of the Act and other Applicable Law, and the transferee gives no objection to the transfer within two weeks from the receipt of the notice. In the event of non-receipt of any objection from the transferee within the period of two weeks as aforesaid, the Company shall enter in the Register the name of transferee in the same manner and subject to the same conditions as it the application for registration of the transfer was made by the transferee.

The Board may, subject to the right of appeal conferred by section 58 decline to register –

- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.

On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transfer books when closed

68. Subject to the applicable provisions of the Act, SEBI Regulations and these Articles, the Board shall have to close the transfer books, the Register of Members, Register of Debenture holders or the Register of 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 in each year, as it may deem expedient.

Directors may refuse to register transfer

69. Subject to the provisions of the Act and other Applicable Law, the Board may at its own, discretion, decline to register or acknowledge any transfer of Securities, whether fully paid or not (notwithstanding that the proposed transferee be already a Member), provided in such cases it shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer: Provided that registration of transfer shall not be refused on the ground of the transferor being, either alone or jointly with any person or persons, indebted to the Company on any account whatsoever except where the Company has lien on the Securities.

Directors to recognize Beneficial Owners of securities

70. Notwithstanding anything contained in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner.
71. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its Securities held by a Depository.

72. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognize any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.

Nomination

73. Every holder of Shares in, or Debentures of the Company may, at any time, nominate, in the manner prescribed under the Act, a person to whom his Shares in or Debentures of the Company shall vest in the event of death of such holder.
74. Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.
75. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or Debentures of the Company, the nominee shall, on the death of the shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.
76. Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the shares in or Debentures of the Company, in the event of his death, during the minority.

Transmission in the name of nominee

77. Any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any Security holder, or by any lawful means other than by a transfer in accordance with these Presents, may with the consent of the Board of Directors and subject as hereinafter provided, elect, either:

to be registered himself as holder of the Securities; or
to make such transfer of the Securities as the deceased Security holder could have made.

Provided nevertheless that it shall be lawful for the Directors in their absolute discretion to dispense with the production of any evidence including any legal representation upon such terms as to indemnity or otherwise as the Directors may deem fit.

78. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the Share before his death or insolvency.
79. If the nominee, so becoming entitled, elects himself to be registered as holder of the Securities, 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 death certificate of the deceased Security holder or proof of lunacy, bankruptcy or insolvency of the Security holder, as the case may be, and the certificate(s) of Securities held by such Security holder in the Company.
80. If the person aforesaid shall elect to transfer the Securities, he shall testify his election by executing a transfer of the Securities.
81. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Security holder had not occurred and the notice or transfer were a transfer signed by that Member.
82. A nominee on becoming entitled to Securities by reason of the death of the holder or joint holders shall be entitled to the same Dividend or interest and other advantages to which he would be entitled if he were the

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registered holder such Securities, except that he shall not before being registered as holder of such Securities, be entitled in respect of them to exercise any right conferred on a Security holder in relation to meetings of the Company.

No transfer to minor, insolvent etc.

83. No transfer shall be made to a minor or person of unsound mind. However, in respect of fully paid up shares, Securities may be transferred in favor of a minor acting through legal guardian, in accordance with the provisions of Applicable Law.

Transfer to be presented with evidence of title

84. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.

Company not liable for disregard of a notice in prohibiting registration of transfer

85. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effort to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it 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 Board of Directors shall so think fit.

DEMATERIALIZATION OF SECURITIES

Dematerialization of Securities

86. The Board shall be entitled to dematerialize its existing Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended and the rules framed thereunder, if any.

Options for investors

87. Subject to the Applicable Law, every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is a Beneficial Owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any Securities held by him in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue and deliver to the Beneficial Owner, the required certificates for the Securities.

Securities in depositories to be in fungible form

88. All securities held by a Depository shall be dematerialized and be in fungible form.

Service of Documents

89. Notwithstanding anything contained in these Articles to the contrary, where Securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository on the Company by means of electronic mode

Transfer of securities

90. Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

Allotment of securities dealt with in a Depository

91. Notwithstanding anything contained in these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.

Register and index of Beneficial Owners

92. The Register and Index of Beneficial Owners maintained by Depository under the Depositories Act, 1996, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

93. Copies of Memorandum and Articles of Association of the Company shall be furnished to every Member within seven days of his request on payment of an amount as may be fixed by the Board to recover reasonable cost and expenses, not exceeding such amount as fixed under Applicable Law.

BORROWING POWERS

Power to borrow

94. Subject to the provisions of these Articles, the Act and other Applicable Law, the Board may, from time to time, at its discretion, by way of a resolution passed at the meeting of Board, accept deposits from its members or otherwise, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money to be borrowed together with the moneys already borrowed, or where a power to delegate the same is available, by a decision/resolution of such delegate, provided that the Board shall not without the requisite sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up Capital of the Company and its free reserves.

Conditions on which money may be borrowed

95. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, or other Securities, or any mortgage, or other Security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being).

Terms of issue of Debentures

96. Any Debentures, Debenture stock, bonds or other Securities may be issued on such terms and conditions as the Board may think fit: Provided that Debenture with a right to allotment or conversion into shares shall be issued in conformity with the provisions of Section 62 of the Act. Debentures, Debenture stock, bonds and other Securities may be made assignable free from any equities from the Company and the person to whom it may be issued. Debentures, Debenture- stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with such sanctions as may be applicable.

Instrument of transfer

97. Save as provided in Section 56 of the Act, no transfer of Debentures shall be registered unless a proper instrument of transfer duly executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the Debentures: Provided that the Company may issue non-transferable Debentures and accept an assignment of such instruments.

Register of charges, etc.

98. The Board shall cause a proper Register to be kept in accordance with the provisions of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 77 to 87 of the Act, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.

Register and index of Debenture holders

99. The Company shall, if at any time it issues Debentures, keep register and index of Debenture holders in accordance with Section 88 of the Act. Subject to the Applicable Law, the Company shall have the power to keep in any State or Country outside India, a register of Debenture-stock holders, resident in that State or Country.

GENERAL MEETINGS

100. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year.
101. Every Annual General Meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate
102. All General Meetings other than annual general meeting shall be called extraordinary general meeting.
103. In the case of an Annual General Meeting, all businesses to be transacted at the meeting shall be deemed special, with the exception of business relating to:
- the consideration of financial statements and the reports of the Board of Directors and Auditors;
the declaration of any Dividend;
the appointment of Directors in place of those retiring;
the appointment of, and the fixing of the remuneration of, the Auditors
104. In case of any other meeting, all business shall be deemed special.
105. The Board may, whenever it thinks fit, call an Extraordinary General Meeting.
106. Where permitted or required by Applicable Law, Board may, instead of calling a meeting of any Members/ class of Members/ Debenture holders, seek their assent by Postal ballot, including e-voting. Such Postal ballot will comply with the provisions of Applicable Law in this behalf.
107. The intent of these Articles is that in respect of seeking the sense of the Members or Members of a class or any Security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of Members, members of a class of Members or any holders of Securities using such use of contemporaneous methods of communication as is permitted by Applicable Law. A written resolution including consent obtained through electronic mode shall be deemed to be sanction provided by the Member, Member of a class or other Security holder by way of personal presence in a meeting.
108. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up Capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.
109. Any meeting called as above by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

E-voting in case of General Meetings

110. Where the Company conducts General Meetings by way of e-voting, the Company shall follow the procedure laid down under the Act and Applicable Law.
111. Where Member has been allowed the option of voting through electronic mode as per Applicable Law, such Member, or Members, who have voted using the electronic facility, generally, shall be allowed to speak at a General Meeting, but shall not be allowed to vote again at the meeting.

Provided that voting may also be allowed to be case by way of post or any other mode which any Applicable Law may allow.

Notice of General Meetings

112. Subject to the Applicable Law, at least 21 clear days' notice of every General Meeting, specifying the day, date, place and hour of meeting, containing a statement of the business to be transacted thereat, shall be given, either in writing or through electronic mode, to every Member or legal representative of any deceased Member or the assignee of an insolvent Member, every Auditor(s) and Director of the Company.
113. A General Meeting may be called at a shorter notice if consented to by either by way of writing or any electronic mode by not less than 95% of the Members entitled to vote at such meeting.

Quorum at General Meeting

114. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business.
115. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.
116. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or to such other day and at such other time and place as the Board may determine subject to Applicable Law and if at such adjourned meeting, a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.

Chairperson at General Meetings

117. The Chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.
118. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the Directors present shall elect one among themselves to be Chairperson of the General Meeting.
119. If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of themselves to be Chairperson of the General Meeting.
120. No business shall be discussed at any General Meeting except the election of a Chairperson, while the chair is vacant.

Adjournment of Meeting

121. 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.
122. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
123. 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.

Voting rights

124. No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders 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, and has exercised any right of lien.
125. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:
on a show of hands, every member present in person shall have one vote; and

on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity Share Capital of the Company.

A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

126. 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.

For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

127. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
128. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
129. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting shall be valid for all purposes.
130. Any such objection made in due time shall be referred to the Chairperson of the General Meeting, whose decision shall be final and conclusive.

Proxy

131. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote by a representative duly authorized in accordance with Section 113 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.
132. 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; and in default the instrument of proxy shall not be treated as valid.
133. Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate, under the common seal of such corporate, if any, or be signed by an officer or any attorney duly authorized by it, and any committee or guardian may appoint such proxy. An instrument appointing a proxy shall be in the form as prescribed in terms of Section 105 of the Act.
134. A Member present by proxy shall be entitled to vote only on a poll, except where Applicable Law provides otherwise.
135. The proxy so appointed shall not have any right to speak at the General Meeting.
136. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Maintenance of records and Inspection of minutes of General Meeting by Members

137. Where permitted/required by Applicable Law, all records to be maintained by the Company may be kept in electronic form subject to the provisions of the Act and the conditions as laid down in the Applicable Law. Such records shall be kept open to inspection in the manner as permitted by the Act and Applicable Law. The term 'records' would mean any register, index, agreement, memorandum, minutes or any other document required by the Act and Applicable Law made there under to be kept by the Company.
138. The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
139. Any such minutes shall be evidence of the proceedings recorded therein.
140. The book containing the minutes of proceedings of General Meetings shall be kept at the registered office of the Company and shall be open during business hours, for such periods not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time, to the inspection of any Member without charge.
141. Any Member of the Company shall be entitled to a copy of minutes of the General Meeting on receipt of a specific request and at a fee of ₹ 10.00 (Rupees Ten only) for each page, or such higher amount as the Board may determine, as permissible by Applicable Law.

BOARD OF DIRECTORS

142. Until otherwise determined by a General Meeting and subject to provisions of the Act, the number of directors shall not be less than three or more than fifteen.

Following are the First Directors of the Company:

1. Shravankumar Phoolkumar Sadh
2. Hitesh Shravankumar Sadh
3. Purti Hitesh Sadh

143. The Directors are not required to hold any qualification shares.
144. Composition of the Board shall be in accordance with the provisions of Section 149 of the Act and other Applicable Laws. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall (a) be entitled to transact business for the purpose of attaining the required composition of the Board; and (b) be entitled to carry out such business as may be required in the best interest of the Company in the meantime.

Board's power to appoint Additional Directors

145. Subject to the provisions of Sections 149, 152 and 161 of the Act and Applicable Laws, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles.
146. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

Nominee Directors

147. The Company shall, subject to the provisions of the Act and these Articles, be entitled to agree with any Person that he or it shall have the right to appoint his or its nominee on the Board, not being an Independent Director, upon such terms and conditions as the Company may deem fit.
148. Whenever the Company enters into the contract with any government, central, state or local, any bank or financial institution or any person or persons (hereinafter referred to as "**the appointer**") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Board shall have, subject to the provisions of

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the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such director or directors shall not be liable to retire by rotation nor be required to hold any qualification shares. The directors may also agree that any such director or directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reason whatsoever. The directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any privileges and rights exercised and enjoyed by the directors of the Company including payment of remuneration and travelling expenses to such director or directors as may be agreed by the Company with the appointer.

Appointment of Alternate Directors

149. Subject to the provisions of Section 161 of the Act, 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. No person shall be appointed as an Alternate Director in place of an Independent Director unless he is qualified to be appointed as an Independent Director under the Act and Applicable Law. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director, and not to the Alternate Director.

For the purpose of absence in the Board meetings in terms of Section 167 (1) (b) of the Act, the period during which an Original Director has an Alternate Director appointed in his place, shall not be considered.

Board's power to fill casual vacancies

150. Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

Independent Directors

151. Subject to the provisions of the Act and other Applicable Law, the Board or any other Committee as per the Act shall identify potential individuals for the purpose of appointment as Independent Director either from the date bank established under Section 150 of Act or otherwise.
152. The Board on receiving such recommendation shall consider the same and propose his appointment for approval at a General Meeting. The explanatory statement to the notice for such General Meeting shall provide all requisite details as required under the Act.
153. Any casual vacancy in the post of an Independent Director caused by way of removal, resignation, death, vacation of office under Section 167 of the Act and Applicable Law or these Articles, removal from Directorship pursuant to any court order or due to disqualification under Section 164 of Act shall be filled by following the process laid down herein below and in accordance with the Applicable Law. No such casual vacancy shall prejudice the functioning of the Board during the intervening period.
154. Every Independent Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence.
155. The Company and Independent Directors are required to abide by the provisions specified in Schedule IV of the Act.
156. An Independent Director shall not be entitled to any stock option and may receive remuneration by way of sitting fee, reimbursement of expenses for participation in the Board and other meetings and also to such commission based on profits, as may, subject to provisions of Applicable Law, be approved by the Members.

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157. An Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.
158. The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.

Term of Office of Independent Director

159. Subject to Applicable Law, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company, but shall be eligible for reappointment for one more term on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.
160. No Independent Director shall hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of 3(three) years of ceasing to become an Independent Director provided that he shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Retirement and rotation of Directors

161. At least two-thirds of the total number of Directors, excluding Independent Directors, will be the Directors who are liable to retire by rotation (hereinafter called "**the Rotational Directors**").
162. Subject to the provisions of the Act and these Articles, the managing Director and/or the whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation.
163. At every Annual General Meeting of the Company, one-third of the Rotational Directors, or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office.
164. A retiring Director shall be eligible for re-election.

Resignation of Directors

165. Subject to the provisions of Applicable Law, a Director may resign from his office by giving a notice in writing to the Company and Board shall take note of the same. The fact of such resignation shall be mentioned in the report of Directors laid in the immediately following Annual General Meeting by the Company.
166. A Managing Director or a Whole-time Director or any Executive Director who has any terms of employment with the Company shall not give any notice of resignation in breach of the conditions of employment as may be applicable, either to a Director specifically, or to employees of the Company generally. A nominee Director shall not give any notice of resignation except through the nominating person.
167. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later:

Provided that the Director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

Removal of Directors

168. Any Director of the Company, except the one appointed by the National Company Law Tribunal, may be removed by way of Ordinary Resolution before the expiry of his term of office, subject to the provisions of Section 169 of Act.

Remuneration of Directors

169. Subject to the provisions of Section 197 of the Act, a Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

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Provided that where the Company takes a Directors' and Officers' Liability Insurance, specifically pertaining to a particular Director and/or officer, then the premium paid in respect of such insurance, for the period during which a Director and/or officer has been proved guilty, will be treated as part of remuneration paid to such Director and/or officer.

170. The Board or a relevant Committee constituted for this purpose shall seek to ensure that the remuneration paid to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
171. The fees payable to a Director for attending the meetings of the Board or Committee thereof shall be such sum as may be decided by the Board of Directors from time to time within the maximum limit as prescribed under the Act and Applicable Law. Fee shall also be paid for attending any separate meeting of the Independent Directors of the Company in pursuance of any provision of the Act. Fee shall also be payable for participating in meetings through permissible electronic mode.
172. In addition to the remuneration payable pursuant to Section 197 of the Act, the Directors may be paid all conveyance, hotel and other expenses properly incurred by them:

in attending and returning from meetings of the Board of Directors or any Committee thereof or general meetings of the Company; or
in connection with the business of the Company.

Directors may act notwithstanding any vacancies on Board

173. The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by these Articles, the continuing Directors may act for the purpose of increasing the number of Directors to the minimum number fixed by these Articles or for summoning a General Meeting for the purpose increasing the number of Directors to such minimum number, but for no other purpose.

Vacation of office of Director

174. The office of a Director shall ipso facto be vacated:
- on the happening of any of the events as specified in Section 167 of the Act.
if a person is a Director of more than the number of Companies as specified in the Act at a time;
in the case of alternate Director, on return of the original Director in terms of Section 161 of the Act;
having been appointed as a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, he ceases to hold such office or other employment in that company;
if he is removed in pursuance of Section 169 of the Act;
any other disqualification that the Act for the time being in force may prescribe.

Notice of candidature for office of Directors except in certain cases

175. No person, not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some Member intending to propose him as a Director, has, not less than fourteen days before the General Meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office along with the requisite deposit of ₹ 1,00,000/- (Rupees One Lakh only) or such higher amount as the Board may determine, as permissible by Applicable Law.
176. Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, the consent in writing to act as a Director, if appointed.

Director may contract with the Company

177. Subject to such sanctions as required by Applicable Law, a Director or any related party as defined in Section 2 (76) of the Act or other Applicable Law may enter into any contract or any arrangement with the Company.
178. Unless so required by Applicable Law, no sanction shall, however, be necessary for any contracts with a related party on entered into on arm's length basis. Where a contract complies with such conditions or indicia of arms' length contracts as laid down in a policy on related party transactions framed by the Board in accordance with the Applicable Law, the contract shall be deemed to be a contract entered into on arm's length basis.

Disclosure of interest

179. A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other body corporate where the Director of the Company either himself or in association with any other Director hold or holds less than two per cent of the shareholding in such other body corporate.

Interested Director not to participate or vote in Board's proceeding

180. Subject to the provisions of Section 184 of the Act, no Director shall as Director take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void.

Register of contracts in which Directors are interested

181. The Company shall keep a register of contracts or arrangements in which directors are interested in accordance with the provisions of Act. Such register shall be kept at the registered office of the Company and shall be preserved permanently be kept in the custody of the Company Secretary of the Company or any other person authorized by the Board for the purpose.
182. Such a Register shall be open to inspection at such office, and extracts maybe taken therefrom and copies thereof may be provided to a Member of the Company on his request, within seven days from the date on which such request is made and upon the payment of ₹ 10.00 (Rupees Ten only) per page, as such higher amount as may be laid by the Board, as permitted by Applicable Law.

Register of Directors and Key Managerial Personnel and their shareholding

183. The Company shall keep at its registered office a register containing the particulars of its Directors and Key Managerial Personnel, which shall include the details of Securities held by each of them in the Company or its holding, subsidiary, subsidiary of Company's holding Company or associate companies in accordance to Section 170 of the Act and Applicable Law.

Miscellaneous

184. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

PROCEEDINGS OF THE BOARD*Meetings of Board*

185. The Directors may meet together as a Board from time to time for the conduct of the business of the Company, adjourn or otherwise regulate its meetings, as it thinks fit.
186. A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic mode.
187. The notice of the meeting shall inform the Directors regarding the option available to them to participate through electronic mode, and shall provide all the necessary information to enable the Directors to participate through such electronic mode.
188. Certain matters, as may be specified under the Applicable Law from time to time, shall not be dealt with in a meeting of the Board through video conferencing or other audio visual means.
189. A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting, or in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director.
190. The Board shall so meet at least once in every four months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.
191. Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose. The names of Directors who have participated in Board meetings through electronic mode shall be entered and initialled by the Company Secretary, stating the manner in which the Director so participated

Meetings of Board by Video/audio-visual conferencing

192. Subject to the provisions of the Act and Applicable Law, the Directors may participate in meetings of the Board otherwise through physical presence, electronic mode as the Board may from time to time decide and Directors shall be allowed to participate from multiple locations through modern communication equipment for ascertaining the views of such Directors who have indicated their willingness to participate by such electronic mode, as the case may be.

Regulation for meeting through electronic mode

193. The Board may, by way of a resolution passed at a meeting, decide the venues where arrangements may be made by the Company, at the Company's cost, for participation in Board meetings through electronic mode, as the case may be, in accordance to the provisions of the Act and Applicable Law. In case of a place other than such places where Company makes arrangements as above, the Chairperson may decline the right of a Director to participate through electronic mode in view of concerns of security, sensitivity and confidentiality of Board proceedings. Where the Chairperson so permits a Director to participate from a place other than the designated places where the Company has made the arrangements, the security and confidentiality of the Board proceedings shall be the responsibility of the Director so participating, and the cost and expense in such participation, where agreed to by the Chairperson, may be reimbursed by the Company.
194. Subject as aforesaid, the conduct of the Board meeting where a Director participates through electronic mode shall be in the manner as laid down in Applicable Law.
195. The rules and regulations for the conduct of the meetings of the Board, including for matters such as quorum, notices for meeting and agenda, as contained in these Articles, in the Act and/or Applicable Law, shall apply to meetings conducted through electronic mode, as the case may be.
196. Upon the discussions being held by electronic mode, as the case may be, the Chairperson or the Company Secretary shall record the deliberations and get confirmed the views expressed, pursuant to circulation of the

draft minutes of the meeting to all Directors to reflect the decision of all the Directors participating in such discussions.

197. Subject to provisions of Section 173 of the Act and the Applicable Laws, a Director may participate in and vote at a meeting of the Board by means of electronic mode which allows all persons participating in the meeting to hear and see each other and record the deliberations. Where any Director participates in a meeting of the Board by any of the means above, the Company shall ensure that such Director is provided with a copy of all documents referred to during such Board meeting prior to the commencement of this Board Meeting.

When can a meeting be convened

198. The Managing Director or a Director may, and the Manager or Company Secretary upon the requisition of Director(s) shall, at any time, summon a meeting of the Board.

Chairperson for Board Meetings

199. The Board may elect a Chairperson, and determine the period for which he is to hold office. The Managing Director may also be appointed by the Board as the Chairperson.
200. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their numbers to be Chairperson of the meeting.

Quorum

201. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 174 of the Act. If a quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairperson of the Board shall decide.

Exercise of powers to be valid in meetings where quorum is present

202. A meeting of the Board of which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board, or in accordance with Section 179 of the Act, the powers of the Company.

Matter to be decided on majority of votes

203. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.

Power to appoint Committee and to delegate powers

204. The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of its powers to committees consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Unless a power of the Board is not capable of being delegated, such power may be delegated by the Board to any officer or committee of officers as the Board may determine.
205. Any committee of the Board 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.
206. The meetings and the proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board.

Resolution without Board Meeting/ Resolution by Circulation

207. Save as otherwise expressly provided in the Act to be passed at a meeting of the Board and subject to Section 175 of the Act or Applicable Laws, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft

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thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, at their addresses registered with the Company in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and has been approved by a majority of the Directors or members as are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a Board Meeting.

Provided further that where the resolution has been put to vote at a Board Meeting, the consent or dissent of the Directors obtained by way of resolution by circulation shall be rendered void and given effect to.

Acts of Board / Committee valid notwithstanding formal appointment

208. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained or in these Articles, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

Minutes of proceedings of meeting of Board

209. The Company shall cause minutes of proceedings of every meeting of the Board and Committee thereof to be kept in such form by making within thirty days of the conclusion of every such meeting, entries thereof in the books kept for that purpose with their pages consecutively numbered in accordance to Section 118 of the Act or Applicable Laws.
210. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting.
211. In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by a pasting or otherwise, if the minutes are kept in physical form.
212. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
213. Where the meeting of the Board takes place through electronic mode, the minutes shall disclose the particulars of the Directors who attended the meeting through such means. The draft minutes of the meeting shall be circulated among all the Directors within fifteen days of the meeting either in writing or in electronic mode as may be decided by the Board and/or in accordance with Applicable Laws.
214. Every Director who attended the meeting, whether personally or through electronic mode, shall confirm or give his comments in writing, if any, about the accuracy of recording of the proceedings of that particular meeting in the draft minutes, within seven days or some reasonable time as decided by the Board, after receipt of the draft minutes failing which his approval shall be presumed.
215. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.
216. The minutes shall also contain:

The names of the Directors present at the meeting; and
In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
217. Nothing contained in these Articles shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairperson of the meeting:

is, or could reasonably be regarded as defamatory of any person.
is irrelevant or immaterial to the proceedings; or
is detrimental to the interest of the Company.

218. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this Article.
219. Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
220. Any Director of the Company may requisition for physical inspection of the Board Meeting minutes in accordance with the Applicable Law.

Powers of Board

221. The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act and Applicable Law made thereunder, or any other Act, or by the Memorandum, or by these Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act and the Applicable Law made thereunder, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulations 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.
222. The Board may subject to Section 186 of the Act and provisions of Applicable Law made thereunder shall by means of unanimous resolution passed at meeting of Board from time to time, invest, provide loans or guarantee or security on behalf of the Company to any person or entity.

Restriction on powers of Board

223. The Board of Directors shall exercise the following powers subject to the approval of Company by a Special Resolution:
- to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings;
 - to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
 - to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up Share Capital and free-reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business;
 - to remit, or give time for the repayment of, any debt due from a Director.

Contribution to charitable and other funds

224. The Board of Directors of a Company may contribute to bona fide charitable and other funds. A prior permission of the Company in general meeting by way of ordinary resolution shall be required for if the aggregate of such contributions in a financial year exceeds 5 % (five percent) of its average net profits for the three immediately preceding financial years

Absolute powers of Board in certain cases

225. Without prejudice to the general powers conferred by Section 179(3) of the Act or Applicable Laws and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in these Articles or the Applicable Law, it is hereby declared that the Directors shall have the following powers; that is to say, power:

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To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

To pay any interest lawfully payable under the provisions of Section 40 of the Act.

To act jointly and severally in all on any of the powers conferred on them.

To appoint and nominate any Person(s) to act as proxy for purpose of attending and/or voting on behalf of the Company at a meeting of any Company or association.

To comply with the provisions of Applicable Law which in their opinion shall, in the interest of the Company be necessary or expedient to comply with.

To make, vary and repeal bye-laws for regulation of business of the Company and duties of officers and servants.

Subject to Sections 179 and 188 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

Subject to the provisions of the Act and Applicable Laws, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in Shares, bonds, Debentures, mortgages, or other securities of the Company, and such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled Capital or not so charged;

To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled Capital for the Company being or in such manner as they may think fit;

To accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed;

To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of Debenture or Debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future).

To open and deal with current account, overdraft accounts with any bank/banks for carrying on any business of the Company.

To appoint any Person (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;

To institute, conduct, defend, compound, refer to arbitration or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company.

To refer any claims or demands or differences by or against the Company or to enter into any contract or agreement for reference to arbitration, and observe, enforce, perform, compound or challenge such awards and to take proceedings for redressal of the same.;

To act as trustees in composition of the Company's debtors and/or act on behalf of the Company in all matters relating to bankrupts and insolvents;

To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.

Subject to the provisions of Sections 179 and 186 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;

To execute in the name and on behalf of the Company in favor of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.

To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;

Subject to provisions of Applicable Law, to give a Director or any officer or any other person whether employed or not by the Company, share or shares in the profits of the Company, commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;

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, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit;

To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;

Before recommending any Dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund, or Sinking fund, or any Special Fund to meet contingencies or to repay Debentures or Debenture stock, or for special dividends or for equalized dividends or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the reserve into such special Funds as the Board may think fit, with full power to transfer the whole, or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division, of a Reserve Fund and with full power to employ the assets constituting all or any of the above Funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or Debenture stock, and without being bound to keep the same, separate from the other assets, and without being bound to pay interest on the same with power, however, 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.

Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisor, clerks, agents and servants of permanent, temporary or special services as they may for time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances

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and to such amount as they may think fit also from time to time 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 four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

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;

Subject to applicable provisions of the Act and Applicable Law, to appoint purchasing and selling agents for purchase and sale of Company's requirement and products respectively.

From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such local boards and to fix their remuneration.

Subject to Section 179 & 180 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorize the Members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.

At any time and from time to time by power of attorney under the Seal, if any, 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 discretion (not exceeding those vested in or exercisable by the Board under these Presents and excluding the powers to make calls and excluding also, except in their limits authorized by the Board, the power to make loans and borrow money') and for' such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favor of the members or any of the Members of any Local Board, established as aforesaid or in favor of any Company, or the Shareholders, Directors, nominees or managers of any Company or firm or otherwise in favor of any fluctuating body of persons whether nominated directly by the Board and any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub- delegate all or any of the powers, authorities and discretions for the time being vested in them;

Subject to Sections 184 and 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, agreements and to execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;

Subject to the provisions of the Act, the Board may pay such remuneration to Chairperson / Vice Chairperson of the Board upon such conditions as they may think fit.

To take insurance of any or all properties of the Company and any or all the employees and their dependants against any or all risks.

To take insurance on behalf of its managing Director, whole-time Director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary or any officer or employee of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

MANAGING DIRECTOR***Board may appoint Managing Director(s)***

226. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Managing Director(s) of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of these Articles the Board may by resolution vest in such Managing Director(s) such of the powers hereby

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vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine.

227. Subject to the Article above, the powers conferred on the Managing Director shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collateral with or to the exclusion of and in substitution of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. The Managing Director shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.

Restriction on Management

228. The Board of Directors may, subject to Section 179 of the Act, entrust to and confer upon a Managing or whole time Director any of the powers exercisable by them, upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.

Remuneration to Managing Directors/ Whole time Directors

229. A Managing or whole time Director may be paid such remuneration, whether by way of monthly payment, or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act, as the Board of Directors may determine.

POWER TO AUTHENTICATE DOCUMENTS

230. Subject to the Applicable Law, any Director or the Company Secretary or any officer appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts thereof; and where any books, records documents or accounts are then, at the office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.
231. Document purporting to be a copy of resolution of the Board or an extract from the minutes of meeting of the Board which is certified as such in accordance with the provisions of the preceding Article shall be conclusive evidence in favor of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be that extract is a true and accurate records of a duly constituted meeting of the Directors.

THE SEAL

232. The Board may, in its absolute discretion, adopt a common seal for the Company.
233. The Board shall provide for the safe custody of the Seal, if adopted and shall have the power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Company shall also be at liberty to have an official Seal for use in any territory, district or place outside India.
234. The Seal of the Company, if any, 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 such Directors or such other person as the Board may specify/appoint for the purpose; and the Director.

MANAGEMENT OUTSIDE INDIA AND OTHER MATTERS

235. Subject to the provisions of the Act, the following shall have effect:

The Board may from time to time provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

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Subject to the provisions of the Act, the Board may at any time establish any local Directorate for managing any of the Delegation. affairs of the Company outside India, and may appoint any person to be member of any such local Directorate or any manager or agents and may fix their remuneration and, save as provided in the Act, the Board may at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board and such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and annual or vary any such delegations.

The Board may, at any time and from time to time by power of attorney under Seal, if any, appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those which may be delegated by the Board under the Act 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 thinks fit, be made in favor of the members or any of members of any local Directorate established as aforesaid, or in favor of the Company or of the members, Directors, nominees or officers of the Company or firm or In favor of any fluctuating body of persons whether nominated directly or indirectly by the Board, and any such Power of Attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Board thinks fit.

Any such delegate or Attorney as aforesaid may be authorized by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

The Company may exercise the power conferred by the Act with regard to having an Official seat for use abroad, and such powers shall be vested in the Board, and the Company may cause to be kept in any state or country outside India, as may be permitted by the Act, a Foreign Register of Member or Debenture holders residents in any such state or country and the Board may, from time to time make such regulations not being inconsistent with the provisions of the Act, and the Board may, from time to time make such provisions as it may think fit relating thereto and may comply with the requirements of the local law and shall In any case comply with the provisions of the Act.

DIVIDENDS AND RESERVE*Division of profits*

236. The profits of the Company, subject to any special rights as to dividends or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of Capital paid-up on the Shares held by them respectively.

The Company in general meeting may declare a Dividend

237. The Company in general meeting may declare dividends to be paid to members according to their respective rights, but no Dividend shall exceed the amount recommended by the Board; the Company in general meeting may, however declare a smaller Dividend. No Dividend shall bear interest against the Company.

Dividend only to be paid out of profits

238. Subject to the provisions of the Act, the Dividend can be declared and paid only out of:

Profits of the financial year, after providing depreciation;
Accumulated profits of the earlier years, after providing for depreciation;
Out of monies provided by Central or State Government for payment of Dividend in pursuance of a guarantee given by the Government.

239. If the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of the Act, or against both.

Transfer to reserve

240. The Board may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
241. Such reserve, being free reserve, may also be used to declare dividends in the event the Company has inadequate or absence of profits in any financial year, in accordance to Section 123 of the Act and Applicable Law made in that behalf. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Interim Dividend

242. Subject to the provisions of Section 123 of the Act and Applicable Law, 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.

Calls in advance not to carry rights to participate in profits

243. Where Capital is paid in advance of calls such Capital may carry interest but shall not in respect thereof confer a right to Dividend or participate in profits.

Payment of pro rata Dividend

244. 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.

Deduction of money owed to the Company

245. The Board may deduct from any Dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

Rights to Dividend where shares transferred

246. A transfer of Share shall not pass the right to any Dividend declared thereon before the registration of the transfer.

Dividend to be kept in abeyance

247. The Board may retain the dividends payable in relation to such Shares in respect of which any person is entitled to become a Member by virtue of transmission or transfer of Shares and in accordance sub-Section (5) of Section 123 of the Act or Applicable Law. The Board may also retain dividends on which Company has lien and may apply the same towards satisfaction of debts, liabilities or engagements in respect of which lien exists.

Notice of Dividend

248. 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.

Manner of paying Dividend

249. Subject to the Applicable Law, any Dividend, interest or other monies payable in cash in respect of shares may be paid by any electronic mode to the shareholder entitled to the payment of the Dividend, or by way of 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.

250. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt lost in transmission, or for any Dividend lost to the member of person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the Dividend by any other means.

Receipts for Dividends

251. Any one of two or more joint holders of a Share may give effective receipts for any dividends, bonuses or other monies payable in respect of such Share.

Non-forfeiture of unclaimed Dividend

252. No unclaimed Dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provision of Sections 124 and 125 of the Act in respect of all unclaimed or unpaid dividends.

ACCOUNTS

Directors to keep true accounts

253. The Company shall keep at the registered office or at such other place in India as the Board thinks fit, proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Act.
254. Where the Board decides to keep all or any of the Books of Account at any place in India other than the registered office of the Company the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place.
255. The Company shall preserve in good order the books of account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.
256. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the preceding Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its registered office or at any other place in India, at which the Company's Books of Account are kept as aforesaid.
257. The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.

Preparation of revised financial statements or Boards' Report

258. Subject to the provisions of Section 131 of the Act and the Applicable Law made thereunder, the Board may require the preparation of revised financial statement of the Company or a revised Boards' Report in respect of any of the three preceding financial years, if it appears to them that (a) the financial statement of the Company or (b) the report of the Board do not comply with the provisions of Section 129 or Section 134 of the Act.

Places of keeping accounts

259. 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.
260. 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 authorized by the Board or by the Company in general meeting.

AUDIT***Auditors to be appointed***

261. Statutory Auditors and Cost Auditors, if any, shall be appointed and their rights and duties regulated in accordance with Sections 139 to 148 of the Act and Applicable Laws. Where applicable, a Secretarial Auditor shall be appointed by the Board and their rights and duties regulated in accordance with Sections 204 of the Act and Applicable Laws.
262. Subject to the provisions of Section 139 of the Act and Applicable Laws made thereunder, the Statutory Auditors of the Company shall be appointed for a period of five consecutive years, subject to ratification by members at every annual general meeting. Provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons as may be recommended by the Board, in accordance with Section 140 of the Act or Applicable Laws.

Remuneration of Auditors

263. The remuneration of the Auditors shall be fixed by the Company in Annual general meeting or in such manner as the Company in general meeting may determine.

DOCUMENTS AND NOTICES***Service of documents and notice***

264. A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or by way of any electronic transmission, as prescribed in Section 20 of the Act and Applicable Law made thereunder.
265. Where a document or notice is sent by post, services of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of the doing so, service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

Notice to whom served in case of joint shareholders

266. A document or notice may be served or given by the Company on or given to the joint-holders of a Share by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the Share.

Notice to be served to representative

267. A document or notice may be served or given by the Company on or to the persons entitled to a Share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to him or them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

Service of notice of General Meetings

268. Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member, (b) every Director of the Company and (c) the Auditor(s) for the time being of the Company.

Members bound by notice

269. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such shares, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.

Documents or notice to be signed

270. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorized by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.

WINDING UP

271. Subject to the provisions of the Act and Applicable Law:

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, but subject to the rights attached to any preference Share Capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

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.

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.

BONAFIDE EXERCISE OF MEMBERSHIP RIGHTS

272. Every Member and other Security holder will use rights of such Member/ Security holder as conferred by Applicable Law or these Articles bonafide, in best interest of the Company or for protection of any of the proprietary interest of such Member/security holder, and not for extraneous, vexatious or frivolous purposes. The Board shall have the right to take appropriate measures, and in case of persistent abuse of powers, expulsion of such Member or other Security holder, in case any Member/Security holder abusively makes use of any powers for extraneous, vexatious or frivolous purposes

INDEMNITY

273. For the purpose of this Article, the following expressions shall have the meanings respectively assigned below:

“**Claims**” means all claims for fine, penalty, amount paid in a proceeding for compounding or immunity proceeding, actions, prosecutions, and proceedings, whether civil, criminal or regulatory;

“**Indemnified Person**” shall mean any Director, officer or employee of the Company, as determined by the Board, who in bonafide pursuit of duties or functions or of honest and reasonable discharge any functions as a Director, officer or employees, has or suffers any Claims or Losses, or against whom any Claims or Losses are claimed or threatened;

“**Losses**” means any losses, damages, cost and expense, penalties, liabilities, compensation or other awards, or any settlement thereof, or the monetary equivalent of a non-monetary suffering, arising in connection with any Claim;

Indemnification

274. Where Board determines that any Director, officer or employee of the Company should be an Indemnified Person herein, the Company shall, to the fullest extent and without prejudice to any other indemnity to which

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the Indemnified Person may otherwise be entitled, protect, indemnify and hold the Indemnified Person harmless in respect of all Claims and Losses, arising out of, or in connection with, the actual or purported exercise of, or failure to exercise, any of the Indemnified Person's powers, duties or responsibilities as a Director or officer of the Company or of any of its subsidiaries, together with all reasonable costs and expenses (including legal and professional fees).

275. The Company shall further indemnify the Indemnified Person and hold him harmless on an 'as incurred' basis against all legal and other costs, charges and expenses reasonably incurred in defending Claims including, without limitation, Claims brought by, or at the request of, the Company and any investigation into the affairs of the Company by any judicial, governmental, regulatory or other body.

276. The indemnity herein shall be deemed not to provide for, or entitle the Indemnified Person to, any indemnification against:

Any liability incurred by the Indemnified Person to the Company due to breach of trust, breach of any statutory or contractual duty, fraud or personal offence of the Indemnified Person;

Any liability arising due to any benefit wrongly availed by the Indemnified Person;

Any liability on account of any wrongful information or misrepresentation done by the Indemnified Person

277. The Indemnified Person shall continue to be indemnified under the terms of the indemnities in this Deed notwithstanding that he may have ceased to be a Director or officer of the Company or of any of its subsidiaries.

SECRECY

278. Every manager, Auditor, 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 Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bonafide transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any general meeting or by the law of the country and except so far as maybe necessary in order to comply with any of the provisions in these Presents and the provisions of the Act.

279. Subject to the provisions of these Articles and the Act, no member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or to examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a 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 Directors it will be expedient in the interest of the Company to communicate.

We, the several persons, whose names, address and occupations are stated hereunder desirous of being formed into a company, in pursuance of the Article of Association:

| Sr. No. | Name, Address, Description, PAN and Occupation of the Subscribers | Signature of the Subscriber | Signature, Name, Address, Description, PAN and Occupation of the Witness |
|----------------|--|------------------------------------|---|
| 1 | Shravankumar Phoolkumar Sadh Son of Mr. Phoolkumar Sadh Add: Flat No. 1002, 10 th Floor, Utpal Park, B Wing, Off Shitaldevi Temple Road, Dharamveer Sambhaji Marg, Mahim (West), Mumbai – 400016 | | |



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| Sr. No. | Name, Address, Description, PAN and Occupation of the Subscribers | Signature of the Subscriber | Signature, Name, Address, Description, PAN and Occupation of the Witness |
|---------|---|-----------------------------|--|
| | Occupation: Business PAN: AAFPS2137R | | |
| 2 | Swarnalata Shrivankumar Sadh Wife of Mr. Shrivankumar Sadh Add: Flat No. 1002, 10 th Floor, Utpal Park, B Wing, Off Shitaldevi Temple Road, Dharamveer Sambhaji Marg, Mahim (West), Mumbai – 400016 Occupation: Business PAN: AAYPS3959A | | |
| 3 | Hitesh Shrivankumar Sadh Son of Mr. Phoolkumar Sadh Add: Flat No. 1001, 10 th Floor, Utpal Park, B Wing, Off Shitaldevi Temple Road, Dharamveer Sambhaji Marg, Mahim (West), Mumbai – 400016 Occupation: Business PAN: AJBPS3405M | | |
| 4 | Sohit Shrivankumar Sadh Son of Mr. Phoolkumar Sadh Address: Flat No. 1003, 10 th Floor, Utpal Park, B Wing, Off Shitaldevi Temple Road, Dharamveer Sambhaji Marg, Mahim (West), Mumbai – 400016 Occupation: Business PAN: AAGPS1094N | | |
| 5 | Purti Hitesh Sadh Wife of Mr. Hitesh Sadh Address: Flat No. 1001, 10 th Floor, Utpal Park, B Wing, Off Shitaldevi Temple Road, Dharamveer Sambhaji Marg, Mahim (West), Mumbai – 400016 | | |

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| Sr. No. | Name, Address, Description, PAN and Occupation of the Subscribers | Signature of the Subscriber | Signature, Name, Address, Description, PAN and Occupation of the Witness |
|----------------|---|------------------------------------|---|
| | PAN: AYWPS3506R Occupation: Business | | |
| 6 | Shilpi Amit Sadh Wife of Mr. Amit Sadh Address: J-1, 3 rd Floor, Lajpat Nagar 3, New Delhi – 110024 Occupation: Business PAN: AWYPS4814L | | |
| 7 | Vijay Rakesh Sadh Daughter of Mr. Phool Kumar Sadh Address: Flat No. 601, Brooklyn, Opp Ashok Academy School, Behind Gokul Medical, Lokhandwala Complex, Andheri (West), Azad Nagar, Mumbai – 400053 Occupation: Business PAN: AYUPS4177Q | | |
| 8 | Rajesh Pravinchandra Dhruv Son of Mr. Pravinchandra Dhruv Address: Building No. 3, C-209, Vivekanand Nagar, S V Road, Near Kora Kendra, Borivali (West), Mumbai – 400 092 Occupation: Business PAN: AHMPD8800G | | |

SECTION IX - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Prospectus will be delivered to the ROC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 78, Ground, A2, Shah & Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Mumbai -400013, Maharashtra, India from date of filing the Draft Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Material Contracts

1. Issue Agreement dated February 11, 2019 between our Company and the LM.
2. Registrar Agreement dated December 03, 2018 between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated [●] between our Company and Underwriter viz. LM.
4. Market Making Agreement dated [●] between our Company, the Market Maker and the LM.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated [●].
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated [●].
7. Banker's to the Issue Agreement dated [●] between our Company, the LM, Escrow Collection Bank and the Registrar to the Issue.

Material Documents

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation as amended from time to time.
2. Board resolution dated January 04, 2019 and special resolution passed pursuant to Section 62(1) (C) of the Companies Act, 2013 at the EGM by the shareholders of our Company held on January 16, 2019.
3. Statement of Tax Benefits dated January 25, 2019 issued by the auditor, A Biyani & Co., Chartered Accountants.
4. Copy of Restated Audit report from the peer review certified auditor, A Biyani & Co., Chartered Accountants, dated January 25, 2019 included in the Draft Prospectus.
5. Copies of Annual reports of the Company for the years ended March 31, 2018, 2017 and 2016.
6. Consents of Directors, Promoters, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Review Auditor, Legal Advisor to the Issue, Bankers to our Company, Banker to the Issue, Sponsor Bank, Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the Draft Prospectus to act in their respective capacities.
7. In-principle listing of Approval dated [●] from the BSE Limited for listing the Equity Shares on the SME Platform of BSE.

Any of the contracts or documents mentioned in the Draft 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, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the person/persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Draft Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| | |
|--|------|
| Mr. Hitesh Shrawankumar Sadh Managing Director DIN: 03055331 | Sd/- |
| Mrs. Purti Hitesh Sadh Executive Director DIN: 08228285 | Sd/- |
| Mr. Akshar Jagdish Patel Non - Executive Independent Director DIN: 02908224 | Sd/- |
| Mr. Bhavin Prabhaskar Mehta Non - Executive Independent Director DIN: 08281963 | Sd/- |
| Mr. Jay Narayan Naik Non - Executive Independent Director DIN: 05174213 | Sd/- |

| | |
|---|------|
| Ms. Sneha Sadashiv Parab Chief Financial Officer (CFO) PAN: BPLPP6252E | Sd/- |
| Ms. Bijal Sunil Shah Company Secretary and Compliance Officer PAN: DBPTS9283N | Sd/- |

Date: March 07, 2019

Place: Mumbai