

**AMSONS APPARELS LIMITED**

(CIN: U74899DL2003PLC122266)

Our Company was originally incorporated at New Delhi as "Amsons Apparels Private Limited" on 16th September, 2003 under the provisions of the Companies Act, 1956. Our Company was converted in to a Public Limited Company and consequently the name was changed to "Amsons Apparels Limited" vide fresh certificate of incorporation dated 14th November, 2013 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. For further details in relation to the changes to the name of our Company, please refer to the section titled "Our History and Corporate Structure" beginning on page 72 of this Prospectus.

Registered Office: No.116, First Floor, Hemkunt Chamber, 89, Nehru Place, New Delhi – 110 019;

Tel: +91-11-3231 7247;

Email: amsonsapparels@yahoo.com; **Website:** www.amsonsapparels.com

Contact Person & Compliance Officer: Mr. Sachin Verma, Company Secretary & Compliance Officer;

PROMOTERS OF THE COMPANY : MR. VINAY KUMAR & MALLYA REAL ESTATES PRIVATE LIMITED

PUBLIC ISSUE OF 32,50,000 EQUITY SHARES OF RS.10/- EACH ("EQUITY SHARES") OF AMSONS APPARELS LIMITED ("AAL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS.10/- PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO RS. 325.00 LACS ("THE ISSUE"), OF WHICH, 1,70,000 EQUITY SHARES OF RS.10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. ISSUE OF 30,80,000 EQUITY SHARES OF RS.10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.47% AND 25.09%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THIS ISSUE IS BEING IN TERMS OF CHAPTER X-B OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.

For Further Details See "Issue Related Information" Beginning On Page 126 of this Prospectus

All potential investors may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 132 of this Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH AND THE ISSUE PRICE IS 1.00 TIME I.E. AT PAR OF THE FACE VALUE.

RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first issue of our Company, there has been no formal market for the securities of the company. The face value of the Equity Shares is Rs. 10/ and the issue price is at 1.00 time i.e. at par of face value. The issue price (as determined by our Company in consultation with the Lead Manager and as stated in the chapter titled on "Basis For Issue Price" beginning on page 47 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the shares of the company or regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the BSE SME Platform nor does BSE SME Platform guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 9 of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through Prospectus are proposed to be listed on the BSE SME Platform In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principal listing approval for the shares being offered in this issue. However, our company has received an approval letter dated 18th November, 2014 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**BCB BROKERAGE PRIVATE LIMITED**

1207-A, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai - 400 001, India

SEBI Reg. No. : INM000012078

Tel: (91 22) 2272 0000 (146); **Fax:** (91 22) 2272 2451

Email: mbd@bcbbrokerage.com

Website: www.bcbrokerage.com

Contact Person: Mr. Varun Kacholia

REGISTRAR TO THE ISSUE**BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED**

Beetal House', 3rd Floor, 99 Madangir, Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir, New Delhi - 110 062

Tel: +91-11-2996 1281-83; **Fax:** +91-11-2996 1284

E-mail: beetalrta@gmail.com

Website: www.beetalfinancial.com

SEBI Regn. No.: INR 000000262

Contact Person: Mr. Puneet Mittal

ISSUE PROGRAMME

ISSUE OPENS ON : 16TH DECEMBER, 2014

ISSUE CLOSES ON : 22ND DECEMBER, 2014



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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

| TERMS | DESCRIPTION |
|---|--|
| "our Company", "the Company", "AAL", "Amsons" "we", "us" or "the Issuer" | Amsons Apparels Limited, a Public Limited Company incorporated under the Companies Act, 1956 |

CONVENTIONAL/GENERAL TERMS

| TERMS | DESCRIPTION |
|---|---|
| AOA/Articles/ Articles of Association | Articles of Association of Amsons Apparels Limited |
| Banker to the Issue | HDFC Bank Limited, I Think Techno Campus, Level 0-3, Next to Kanjur Marg Railway Station, Kanjur Marg (E), Mumbai – 400 042 |
| Board of Directors / Board/Director(s) | The Board of Directors of Amsons Apparels Limited |
| BSE | BSE Limited (the Designated Stock Exchange) |
| Companies Act | Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and / or Provisions of the Companies Act, 1956 w.r.t. to the sections which have not yet been replaced by the Companies Act, 2013 through any official notification. |
| Depositories Act | The Depositories Act, 1996 as amended from time to time |
| CIN | Company Identification Number |
| DIN | Directors Identification Number |
| Depositories | NSDL and CDSL |
| FIPB | Foreign Investment Promotion Board |
| FVCI | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time. |
| Director(s) | Director(s) of Amsons Apparels Limited, unless otherwise specified |
| Equity Shares / Shares | Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof |
| EPS | Earnings Per Share |
| GIR Number | General Index Registry Number |
| Gol/ Government | Government of India |
| Statutory Auditor / Auditor | M/s. S A Jain & Associates, Chartered Accountants, the Statutory Auditors of our Company. |
| Peer Review Auditors | M/s. Gupta Rautela & Co., Chartered Accountants, the Peer Review Auditors of our Company. |
| Promoters | Promoters of the Company being Mr. Vinay Kumar & M/s. Mallya Real Estates Private Limited. |
| Promoter Group Companies /Group Companies / Group Enterprises | Unless the context otherwise specifies, refers to those entities mentioned in the section titled "Our Promoter Group / Group Companies / Entities" on page 88 of this Prospectus. |
| HUF | Hindu Undivided Family |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| IPO | Initial Public Offering |
| Key Managerial Personnel / Key Managerial Employees | The officers vested with executive powers and the officers at the level immediately below the Board of Directors as described in the section titled "Our Management" on page 81 of this Prospectus. |



| TERMS | DESCRIPTION |
|--|---|
| MOA/ Memorandum/ Memorandum of Association | Memorandum of Association of Amsons Apparels Limited |
| Non Resident | A person resident outside India, as defined under FEMA |
| Non-Resident Indian/ NRI | A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations |
| 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. OCBs are not allowed to invest in this Issue. |
| Person or Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability 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. |
| Registered office of our Company | No. 116, First Floor, Hemkunt Chamber, 89, Nehru Place, New Delhi – 110 019 |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI Regulation/ SEBI (ICDR) Regulations | The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time. |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time. |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985 |
| SME Platform of BSE/Stock Exchange | The SME platform of BSE for listing of Equity Shares offered under Chapter X-B of the SEBI (ICDR) Regulations |
| SWOT | Analysis of strengths, weaknesses, opportunities and threats |
| RoC | Registrar of Companies, National Capital Territory of Delhi & Haryana |

ISSUE RELATED TERMS

| TERMS | DESCRIPTION |
|--|--|
| Allotment/Allot | Issue of Equity Shares pursuant to the Issue to the successful applicants as the context requires. |
| Allottee | The successful applicant to whom the Equity Shares are being / have been issued |
| Applicant | Any prospective investor who makes an application for Equity Shares in terms of this Prospectus |
| Application Form | The Form in terms of which the applicant shall apply for the Equity Shares of the Company |
| Application Supported by Blocked Amount (ASBA) | Means an application for subscribing to an issue containing an authorization to block the application money in a bank account |
| ASBA Account | Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the appropriate application Amount of the ASBA applicant, as specified in the ASBA Application Form |
| ASBA Applicant(s) | Prospective investors in this Issue who apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, non- retail Investors i.e. QIBs and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications. |
| ASBA Location(s)/Specified Cities | Location(s) at which ASBA Application can be uploaded by the Brokers, namely Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat |
| ASBA Public Issue Account | An Account of the Company under Section 40 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Investors |
| Basis of Allotment | The basis on which Equity Shares will be allotted to the Investors under the Issue and which is described in "Issue Procedure–Basis of Allotment" on page 138 of the |



| TERMS | DESCRIPTION |
|---|---|
| | Prospectus |
| Designated Market Maker | Indo Jatalia Securities Private Limited having registered office at 1010, Surya Kiran Building, 19, Kasturba Gandhi Marg, Connaught Place, Delhi-110 001 |
| Eligible NRI | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein |
| Issue/Issue size/ initial public issue/Initial Public Offer/Initial Public Offering | Public Issue of 32,50,000 Equity Shares of Rs. 10/- each ("Equity Shares") of Amsons Apparels Limited ("AAL" or the "Company" or the "Issuer") for cash at a price of Rs. 10/- per share (the "Issue Price"), aggregating to Rs. 325.00 Lacs ("the Issue") |
| Issue Opening date | The date on which the Issue opens for subscription |
| Issue Closing date | The date on which the Issue closes for subscription |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application |
| Lead Manager/LM | Lead Manager to the Issue being BCB Brokerage Private Limited |
| Listing Agreement | Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE. |
| Market Maker Reservation Portion | The Reserved portion of 1,70,000 Equity Shares of Rs. 10/- each at Rs. 10/- per Equity Share aggregating to Rs. 17.00 Lacs for Designated Market Maker in the Initial Public Issue of Amsons Apparels Limited |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of 30,80,000 Equity Shares of Rs.10/- each at Rs. 10/- per Equity Share aggregating to Rs. 308.00 Lacs by Amsons Apparels Limited. |
| Business Day | Any day on which commercial banks in New Delhi are open for the business |
| UCSPL | BCB Brokerage Private Limited |
| Depository Act | The Depositories Act, 1996 |
| Depository | A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 |
| Depository Participant | A Depository Participant as defined under the Depositories Act, 1956 |
| Designated Market Maker | Indo Jatalia Securities Private Limited having registered office at 1010, Surya Kiran Building, 19, Kasturba Gandhi Marg, Connaught Place, Delhi-110 001 |
| Escrow Account | Account opened/to be opened with the Escrow Collection Bank(s) and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application |
| Escrow Agreement | Agreement entered / to be entered into amongst the Company, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof |
| Escrow Bankers to the Issue / Escrow Collection Bank (s) | HDFC Bank Limited, I Think Techno Campus, Level 0-3, Next to Kanjur Marg Railway Station, Kanjur Marg (E), Mumbai – 400 042 |
| Escrow Collection Bank(s) | The banks, which are clearing members and registered with SEBI as Bankers to the Issue at which bank the Escrow Account of our Company, will be opened |
| Issue Price | The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 10/- |
| Mutual Funds | A Mutual Fund registered with SEBI under SEBI (Mutual Funds) Regulations, 1996 |
| Memorandum of Understanding | The arrangement entered into on 2nd September, 2014 between our Company, and Lead Manager pursuant to which certain arrangements are agreed in relation to the Issue |
| Non – resident | A person resident outside India, as defined under FEMA including eligible NRIs and FIIs |
| Prospectus | The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information. |
| Issue Account / Public Issue Account | Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date |



| TERMS | DESCRIPTION |
|--|---|
| Qualified Institutional Buyers or QIBs | The term "Qualified Institutional Buyers" or "QIBs" shall have the meaning ascribed to such term under the SEBI ICDR Regulations and shall mean and include (i) a Mutual Fund, VCF and FVCI registered with SEBI; (ii) an FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; (iii) a public financial institution as defined in Section 4A of the Companies Act; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of Rs. 250 million; (ix) a pension fund with minimum corpus of Rs. 250 million; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) insurance funds set up and managed by army, navy or air force of the Union of India; and (xii) insurance funds set up and managed by the Department of Posts, India eligible for applying in this Issue. |
| Registrar/Registrar to the Issue | Registrar to the Issue being Beetal Financial & Computer Services Private Limited, T Beetal House', 3 rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi - 110 062 |
| Retail Individual Investor(s) | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000 |
| Refund Account | The account opened / to be opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of application Amount (excluding to the ASBA Applicants) shall be made. |
| Refund bank | HDFC Bank Limited, I Think Techno Campus, Level 0-3, Next to Kanjur Marg Railway Station, Kanjur Marg (E), Mumbai – 400 042 |
| Refunds through electronic transfer of funds | Refunds through ECS, Direct Credit, RTGS or the ASBA process, as applicable |
| Self-Certified Syndicate Banks or SCSBs | The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on www.sebi.gov.in/pmd/scsb.pdf or at such other website as may be prescribed by SEBI from time to time. |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI Regulation/ SEBI (ICDR) Regulations | The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended |
| Underwriters | BCB Brokerage Private Limited & Indo Jatalia Securities Private Limited |
| Underwriting Agreement | The Agreement among the Underwriters and our Company |
| Working Days | All days on which banks in Mumbai are open for business except Sunday and public holiday, provided however during the Application period a working day means all days on which banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday |
| Market Maker | A market maker is a company, or an individual, that quotes both a buy and a sell price in a financial instrument or commodity held in inventory, hoping to make a profit on the bid-offer spread, or turn. Market makers are net sellers of an option to be adversely selected at a premium proportional to the trading range at which they are willing to provide liquidity. |

COMPANY/INDUSTRY RELATED TERMS/TECHNICAL TERMS

| TERM | DESCRIPTION |
|-------------|----------------------------------|
| CSO | Central Statistical organisation |
| IIP | Index of Industrial Production |
| MMF | Man made Fibres |



| TERM | DESCRIPTION |
|-----------|--|
| Mtrs. | Meters |
| MW | Megawatt |
| PTA | Purified Terephthalic Acid |
| Sq. Mtrs. | Square Meters |
| T&C | Textile and Clothes Industry |
| TPA/tpa | Tonnes Per Annum |
| TPM/tpm | Tonnes per Month |
| TUFS | Technology Upgradation Fund Scheme |
| TWRFS | Textile Workers Rehabilitation Fund Scheme |
| WPI | Wholesale Price Index |
| WTO | World Trade Organisation |

ABBREVIATIONS

| ABBREVIATION | FULL FORM |
|-------------------|---|
| AGM | Annual General Meeting |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India |
| A.Y. | Assessment Year |
| B.A | Bachelor of Arts |
| B.Com | Bachelor of Commerce |
| BG/LC | Bank Guarantee / Letter of Credit |
| CAGR | Compounded Annual Growth Rate |
| C. A. | Chartered Accountant |
| CC | Cubic Centimeter |
| CDSL | Central Depository Services (India) Limited |
| CFO | Chief Financial Officer |
| C.S. | Company Secretary |
| DP | Depository Participant |
| ECS | Electronic Clearing System |
| EGM / EOGM | Extra Ordinary General Meeting of the shareholders |
| EPS | Earnings per Equity Share |
| ESOP | Employee Stock Option Plan |
| EMD | Earnest Money Deposit |
| FCNR Account | Foreign Currency Non Resident Account |
| FEMA | Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued there under. |
| FII | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India. |
| FIs | Financial Institutions. |
| FIPB | Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India |
| FY / Fiscal | Financial Year |
| FVCI | Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000. |
| GDP | Gross Domestic Product |
| GIR Number | General Index Registry Number |
| GoI/ Government | Government of India |
| HUF | Hindu Undivided Family |
| HSC | Higher Secondary Certificate |
| INR / Rs./ Rupees | Indian Rupees, the legal currency of the Republic of India |
| SME | Small And Medium Enterprises |



| ABBREVIATION | FULL FORM |
|----------------------------|--|
| SSC | Secondary School Certificate |
| M. Com. | Master of Commerce |
| NAV | Net Asset Value |
| No. | Number |
| NR | Non Resident |
| NSDL | National Securities Depository Limited |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent Account Number |
| RBI | The Reserve Bank of India |
| RBI Act | The Reserve Bank of India Act, 1934, as amended from time to time |
| RoC/Registrar of Companies | Registrar of Companies, National Capital Territory of Delhi & Haryana |
| RONW | Return on Net Worth |
| USD/ \$/ US\$ | The United States Dollar, the legal currency of the United States of America |



PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

FINANCIAL DATA

Unless stated otherwise, the financial data in this Prospectus is extracted from the financial statements of our Company for the fiscal years 2014, 2013, 2012, 2011, 2010 and for period ended 30th September, 2014 and the restated financial statements of our Company for Fiscal Years 2014, 2013, 2012, 2011, 2010 and for period ended 30th September, 2014 prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Auditors and the SEBI Regulations and set out in the section titled — Financial Information on page 92. 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 Regulations. Our fiscal years commence on April 1 and end on March 31. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, US GAAP and IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian Accounting Practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

CURRENCY OF PRESENTATION

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S.\$" or "U.S. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America. This Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees (and certain Indian Rupee amounts into U.S. Dollars and other currency amounts). These have been presented solely to comply with the requirements of the SEBI Regulations. These translations should not be construed as a representation that such Indian Rupee or U.S. Dollar or other amounts could have been, or could be, converted into Indian Rupees, at any particular rate, or at all.

In this Prospectus, throughout all figures have been expressed in Lacs, except as otherwise stated. The word "Lacs", "Lac", "Lakhs" or "Lakh" means "One Hundred Thousand".

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Prospectus, unless otherwise indicated, have been calculated based on our restated financial statement prepared in accordance with Indian GAAP.

INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this Prospectus has been obtained from Internal Company Reports and Industry Publications and the Information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

For additional definitions, please refer the section titled "Definitions and Abbreviations" on page 1 of this Prospectus.



FORWARD LOOKING STATEMENTS

Our Company has included statements in this Prospectus, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "project", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Prospectus regarding matters that are not historical fact. These forward-looking statements contained in this Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the Garments / Textiles and Apparel industry in India and overseas in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Our inability to manage our growth effectively;
- Our inability to retain the services of our senior management, key managerial personnel and capable employees;
- Our inability to renew rents for our Properties used for business activities or conduct new rent arrangements on commercially acceptable terms;
- Changes in consumer demand;
- Failure to successfully upgrade our products and service portfolio, from time to time;
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
- Changes in political condition in India;
- Our ability to compete effectively, particularly in new markets and businesses;
- The occurrence of natural disasters or calamities;
- Conflicts of Interest with Affiliated Companies, the Group Entities and Other Related Parties;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussion of factors that could cause Company's actual results to differ, see the section titled "Risk Factors" on page 9 of this Prospectus. By their nature, certain 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. Our Company, the Lead Manager, and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.



SECTION II

RISK FACTORS

An Investment in equity involves higher degree of risks. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Prospectus before making any investment decision relating to the Equity Shares. The occurrence of any of the following events could have a material adverse effect on the business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to decline and you may lose all or part of your investment.

Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Prospectus, including the sections titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Financial Information" included in this Prospectus beginning on pages 64, 106 & 92 respectively. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

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 have material impact in the future.***

The risk factors are as envisaged by the management. Wherever possible, the financial impact of the risk factors has been quantified.

INTERNAL RISK FACTORS

1. The Registered Office of Our Company is not owned by us.

We operate from our registered office situated at No. 116, First Floor, Hemkunt Chamber, 89, Nehru Place, New Delhi-110 019 which is a rented premise. Any discontinuance of rent facility will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

2. We are dependent on our management team for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

3. Our Promoter Group Company has posted negative profits in last three (3) financial years.

Our Promoter Group Company i.e. Mallya Real Estates Private Limited as tabled below have incurred losses in the last three financial years. The details of profit/loss are as under:



(Rs. in Lacs)

| Particulars | 31.03.14 | 31.03.13 | 31.03.12 |
|-------------------------|----------|----------|----------|
| Profit/(Loss) after Tax | 0.01 | (0.02) | (0.01) |

4. We have entered into certain related party transactions and may continue to do so.

We have entered into related party transactions with our Promoters and Directors. While we believe that all such transactions have been conducted on the arm's length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we will enter into related party transactions in the future. For details of these transactions, please refer to section titled "Related Party Transactions" at page 90 of this Prospectus.

5. We have reported negative cash flows.

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

(Rs. In Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|---|-------------|--------------|-------------|-------------|----------|---------------|
| Net Cash flow from Operative activities | 109.28 | (97.40) | (265.78) | 1.86 | - | (0.01) |
| Net Cash Flow from investing activities | (399.97) | 298.61 | (209.20) | (204.63) | (96.00) | - |
| Net Cash Flow from Financing activities | 297.15 | (177.99) | 475.54 | 203.00 | 96.00 | - |
| TOTAL | 6.46 | 23.22 | 0.56 | 0.23 | - | (0.01) |

6. We do not have any long-term agreement or contract of supply Fabric and we are exposed to price and supply fluctuations.

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

In case of non-availability of materials on favourable terms, we may have to procure the same at the terms and conditions prevalent at that point. This will result in reducing our revenues by a considerable amount due to shortage of material or due to inability to procure the same.

7. 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 the Audit Committee.

As per SEBI (ICDR) Regulations, 2009 appointment of monitoring agency is required only for Issue size above Rs. 50,000 Lacs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public.



8. Failure on our part to meet consumer expectations could impact our business operations.

Our business depends on consumer preferences which cannot be predicted with certainty and are subject to rapid change. We feel that if we fail to understand and in turn respond in a timely and appropriate manner to changing consumer demand with quality products, our brand name and brand image may be impaired and in turn result in decline in sales or leave us with substantial amount of unsold inventory. We may not be able to successfully meet changing consumer demands in future. In addition, any new products or brands that we introduce in future may not be successfully received by retailers and consumers. Any failure on our part to successfully meet consumer demand or preference may negatively affect our business, financial condition and results of operations.

9. Our major operations are limited to trading in fabrics which is contrary to our name i.e. Amsons Apparels Limited.

At present, major portion of our turnover involves trading in fabrics and allied products, however our name i.e. Amsons Apparels Limited represents ourselves as apparels traders, however our main objects permits ourselves to trade in fabrics. Any misconception due to contrary nature of our name and our present operations could have an adverse effect on our business, financial condition and results of operations.

10. If we are unable to manage our growth, our business could be disrupted

The growth of our business depend on the operations to realize our vision of attaining size and to improve our cost competitiveness in the textile and fabrics industry, and to reduce costs in our business. In order to achieve such future growth, we need to effectively manage our new project, accurately assess new markets, attract new customers, obtain sufficient financing, control our input costs, maintain sufficient operational and financial controls and make additional capital investments to take advantage of anticipated market conditions. We expect our growth to place significant demands on our management and other resources. Any inability to manage our growth could have an adverse effect on our business, financial condition and results of operations.

11. Delay in raising funds from the IPO could adversely impact the implementation schedule.

The proposed expansion, as detailed in the section titled "*Objects of the Issue*" is to be largely funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given timeframe, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

12. The Company has not appointed any independent agency for the appraisal of the proposed Project.

The Project, for which we intend to use our Issue proceeds as mentioned in the objects of the Issue, has not been appraised by any bank or financial institution. The total cost of Project is our own estimates based on current conditions and are subject to changes in external circumstances or costs. Our estimates for total cost of Project has been based on various quotations received by us from different suppliers and our internal estimates and which may exceed which may require us to reschedule our Project expenditure and may have an adverse impact on our business, financial condition and results of operations.

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

We operate in an industry which faces intense competition from established as well as unorganized players. Our competition depends on several factors which include quality, price and most importantly our pace in keeping up with the changing trends in fashion industry. Competition emerges from both organized as well as unorganized sector.



14. Our success depends on our ability to retain and attract key qualified personnel and, if we are not able to retain them or recruit additional qualified personnel, we may be unable to successfully develop and grow our business.

The Company believes that its success depends on its continued ability to retain and attract skilled and experienced executive personnel. While the Company has retained its key management personnel in the past, should it fail to retain them in future, it may find it difficult to find suitable replacements with similar knowledge and experience. The Company is dependent on its ability to identify, hire, train, manage and retain personnel and it may face a risk in realizing its business objectives in the event of attrition of key managerial personnel.

15. We may not be successful in implementing our business strategies.

The success of our business depends substantially on our ability to implement our business strategies effectively or at all. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

16. We have not protected our assets through insurance coverage and our assets are certain operating risks and this may have a material adverse impact on our business.

We have not maintained any insurance policy to provide adequate coverage to our assets. Any damage or loss of our assets would have a material and adverse impact on our business operations and profitability.

17. Our operations are geographically located in one area and any localized social unrest, natural calamities, etc. could have material adverse effect on business and financial operations.

Our operations are based in Delhi and National Capital Region of India. As a result, any localized social unrest, natural disaster or breakdown of services and utilities in and around Delhi could have material adverse effect on our business, financial position and results of operations.

18. Our inability to manage inventory in an effective manner could adversely impact our business operations.

Our business involves significant inventory levels based on present and future order books. If we underestimate the orders to be received, we may experience inventory shortages. Similarly, an over-estimation of orders may result in over stocking of inventory leading to increased cost. Any mismanagement on our part to handle inventory levels may impact our business and financial operations.

19. Our trademark is not registered under the Trade Marks Act our ability to use the trademark may be impaired.

Our company's business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such logo by anybody by means of statutory protection. Our Company has made application for registration of logo. We cannot guarantee that all the pending application will be decided in the favor of the Company. If our trademarks are not registered it can allow any person to use a deceptively similar mark and market its product which could be similar to the products offered by us. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease.



EXTERNAL RISK FACTORS

20. Political, economic and social changes in India could adversely affect our business.

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

21. Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.

The revenues recorded and income earned is taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of the tax liabilities involves the interpretation of local tax laws 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 expenditures incurred. Changes in the operating environment, including changes in tax laws, could impact the determination of the tax liabilities of our Company for any year.

22. Natural calamities and force majeure events may have an adverse impact on our business.

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

23. Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 ("IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 32 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period.

24. Restrictions on foreign investment limit our ability to raise debt or capital outside India.

Indian laws constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to invest in us. Foreign investment in, or an acquisition of, an Indian company requires approval from the relevant government authorities in India, including the Reserve Board of India and the Foreign Investment Promotion Board.

25. Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.



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

26. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

27. Third party statistical and financial data in this Prospectus may be incomplete or unreliable.

We have not independently verified any of the data from industry publications and other sources referenced in this Prospectus and therefore cannot assure you that they are complete or reliable. Discussions of matters relating to India, its economies or the industries in which we operate in this Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

28. The new Companies Act, 2013 is recently being implemented and any developments in the near future may be material with respect to the disclosures to be made in this Letter of Offer as well as other rules and formalities for completing the Issue.

The Companies Act, 2013 has been published on August 29, 2013. Section 1 of the said Act was notified on August 30, 2013, while 98 more sections were notified as on September 12, 2013, section 135 and rules thereunder on 27/02/2014. The Ministry of Company Affairs has further notified 183 sections of the Act and Rules thereunder to be made effective from 01.04.2014. Though we have incorporated the relevant details pertaining to the new Companies Act, 2013 (to the extent notified) in this Draft Letter of Offer, any further notifications by the MCA after our filing of this Prospectus may be material with respect to the disclosures to be made in the Prospectus as well as other rules and formalities for completing the Issue. The Companies Act, 2013 provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, and the requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act, 2013 is expected to be complemented by a set of rules that shall set out the procedure for compliance with the substantive provisions of the Companies Act, 2013. In the absence of such rules, it is difficult to predict with any degree of certainty the impact, adverse or otherwise, of the Companies Act, 2013 on the Rights Issue, and on the business, prospects and results of operations of the Company.

RISKS RELATING TO THE EQUITY SHARES

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

Any future equity issues by us, including in a primary offering, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of its Equity Shares by the Promoters may



adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

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

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

31. The price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.

Prior to the offer, there has been no public market for our Equity Shares, and an active trading market on the SME Platform of BSE. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the textile industry, developments relating to India and volatility in the Exchange and securities markets elsewhere in the world. However, the LM will arrange for compulsory market making for a period of 3 years from the date of listing as per the regulations applicable to the SME Platforms under SEBI (ICDR) Regulations, 2009.

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

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain any in-principle approval for listing of shares issued. We have only applied to BSE Limited to use its name as the Stock Exchange in this offer document for listing our shares on the SME Platform of BSE. In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

Prior to this Issue, there has been no public market for our Equity Shares. [•] is acting as Designated Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers please refer to the section titled "General Information – Details of the Market Making Arrangement for this Issue" on page 30 of this Prospectus.



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

Following the Issue, we will be subject to a daily “circuit breaker” imposed by BSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The BSE may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

PROMINENT NOTES:

1) SIZE OF THE ISSUE:

Public Issue of 32,50,000 Equity Shares of Rs. 10/- each (the “Equity Shares”) for cash at a price of Rs. 10/- per Equity Share aggregating to Rs. 325.00 Lacs (“the Issue”) by Amsons Apparels Limited (“AAL” or the “Company” or the “Issuer”). Out of the Issue, 1,70,000 Equity Shares of Rs. 10 each at a price of Rs. 10 each per Equity Share aggregating to Rs. 17.00 Lacs, which will be reserved for subscription by Market Makers to the issue (the “market maker reservation portion”) and Net Issue to the Public of 30,80,000 Equity Shares of Rs. 10 each at a price of Rs. 10/- each per Equity Share aggregating to Rs. 308.00 Lacs (hereinafter referred to as the “Net Issue”). The Issue and the Net Issue will constitute 26.47% and 25.09%, respectively, of the post issue paid up Equity Share capital of the Company.

2) The average cost of acquisition of Equity Shares by the Promoters:

| Name of the Promoter | No. of Shares held | Average cost of Acquisition (in Rs.) |
|--|---------------------------|---|
| Mr. Vinay Kumar | 15000 | 10.00 |
| M/s. Mallya Real Estates Private Limited | 3158100 | 10.00 |

**The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares, including the issue of bonus shares to them. The average cost of acquisition of our Equity Shares by our Promoters has been reduced due to the issuance of bonus shares to them, if any. For more information, please refer to the section titled “Capital Structure” on page 32.*

- 3) Our Net worth as on 30th September, 2014 is Rs. 903.96 Lacs as per Restated Financial Statements.
- 4) The Book -Value per share as on 30th September, 2014 is Rs. 10.01 as per Restated Financial Statements.
- 5) The constitution of the Company has been changed from Private Limited to Public Limited Company on 14th November, 2013 and consequently name was changed to “Amsons Apparels Limited”.
- 6) Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in consultation with the BSE Limited, the Designated Stock Exchange. For more information, please refer to “Basis of Allotment” on page 138 of the Prospectus. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper as set out therein.
- 7) Investors are advised to refer to the paragraph on “Basis for Issue Price” on page 47 of this Prospectus before making an investment in this Issue.



- 8) No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors, key management employee, associate companies, or Group Companies.
- 9) Investors may contact the Lead Manager or the Compliance Officer for any complaint/clarifications/information pertaining to the Issue. For contact details of the Lead Manager and the Compliance Officer, refer the front cover page.
- 10) Other than as stated in the section titled "*Capital Structure*" beginning on page 32 of this Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
- 11) Except as mentioned in the sections titled "*Capital Structure*" beginning on page 32 of this Prospectus, we have not issued any Equity Shares in the last twelve months.
- 12) Except as disclosed in the sections titled "*Our Promoters*" or "*Our Management*" beginning on pages 84 and 74 respectively of this Prospectus, none of our Promoters, our Directors and our Key Managerial Employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.
- 13) Any clarification or information relating to the Issue shall be made available by the LM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the LM for any complaints pertaining to the Issue. Investors are free to contact the LM for any clarification or information relating to the Issue who will be obliged to provide the same to the investor.
- 14) For transactions in Equity Shares of our Company by the Promoter Group and Directors of our Company in the last six (6) months, please refer to paragraph under the section titled "*Capital Structure*" on page 39 of this Prospectus.
- 15) There are no contingent liabilities as on 30th September, 2014.
- 16) For details of any hypothecation, mortgage or other encumbrances on the movable and immovable properties of our Company please refer to the section titled "*Financial Information*" on page 92 of this Prospectus.
- 17) Except as disclosed in the section titled "*Our Promoter Group / Group Companies / Entities*" on page 88, none of our Group Companies have business interest in our Company.
- 18) For interest of Promoters/Directors, please refer to the section titled "*Our Promoters*" beginning on page 84 of this Prospectus.
- 19) The details of transactions with the Group Companies/ Group Enterprises and other related party transactions are disclosed as Annexure 15 of restated financial statement under the section titled "*Financial Information*" on page 105 of the Prospectus.



SECTION III: INTRODUCTION

SUMMARY

This is only the summary and does not contain all information that you shall consider before investing in Equity Shares. You should read the entire Prospectus, including the information on “Risk Factors” and related notes on page 9 of this Prospectus before deciding to invest in Equity Shares.

INDUSTRY OVERVIEW

Overview of the Indian Economy

The Indian economy is ranked fourth in the world, on a purchasing power parity basis, after the United States, China and Japan (Source: <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>). For the fiscal year 2014, the forecast for real GDP growth rate in India is estimated at 5.1% to 5.5% by the National Council of Applied Economic Research (“NCAER”) in their ‘Quarterly Review of the Economy’ on April 30, 2014. (Source: NCAER’s Quarterly Review of the Indian Economy 2013-14 and Forecast for 2014-15).

According to the Technopak Report, 2014, for almost two decades textile and apparel industry has been a major contributor to India’s GDP and provides employment to over 35 million people (Source: CII). India’s GDP in the year 2013 was estimated to be US\$ 1.823 trillion and 5.2% of this came from the textile and apparel industry. The industry has also been crucial as far as industrial production and earning of foreign exchange through exports is concerned. Availability of abundant raw material such as cotton, silk, wool and jute and India’s competitiveness in skilled labour have provided unique advantages to its textile and apparel industry. Textile and apparel domestic market has been bigger than export market and had reached US\$ 59 billion in the fiscal year 2013 while export market is of US\$ 36 billion. The apparel retail sector in India is highly fragmented and only 19% of sales in India is estimated to be from the organised sector. These numbers are in contrast with that of the United States and Europe where over 80% of the apparel sales are from organized fashion retailers. Textile and Apparel Industry Post the expiration of the Multi Fibre Agreement on January 1, 2005, the textile and apparel industry has witnessed a clear distinction between countries as production and consumption hubs. Developed countries like the USA, countries of the European Union and Japan have emerged as consuming countries while developing countries like India, China and Bangladesh are producing countries. Cheap labour is one of the most important factors driving the developing countries to gain production advantage. According to the Technopak Report, 2014, the expected slower annual GDP growth (CAGR 2013 to 2018 is 2.4%) in the advanced economies is directly impacting the consumption of textile and apparel, hence reducing its demand. On the other hand, the expected higher annual GDP growth (CAGR 2013 to 2018 is 5.4%) of the developing countries has led to an increase in purchasing power of consumers, favouring the growth in textile and apparel consumption in these countries. India is one of the largest exporters of textiles and apparel. India also has vertically integrated supply chain and is known for producing wide range of textiles and apparel products. In India’s exports of textiles and apparel, 60% contribution comes from apparel, and 40% from textiles. (Source: Technopak Report, 2014)

Textile and Apparel Industry

Post the expiration of the Multi Fibre Agreement on January 1, 2005, the textile and apparel industry has witnessed a clear distinction between countries as production and consumption hubs. Developed countries like the USA, countries of the European Union and Japan have emerged as consuming countries while developing countries like India, China and Bangladesh are producing countries. Cheap labour is one of the most important factors driving the developing countries to gain production advantage. According to the Technopak Report, 2014, the expected slower annual GDP growth (CAGR 2013 to 2018 is 2.4%) in the advanced economies is directly impacting the consumption of textile and apparel, hence reducing its demand. On the other hand, the expected higher annual GDP growth (CAGR 2013 to 2018 is 5.4%) of the developing countries has led to an increase in purchasing power of consumers, favouring the growth in textile and apparel consumption in these countries.

India is one of the largest exporters of textiles and apparel. India also has vertically integrated supply chain and is known for producing wide range of textiles and apparel products. In India’s exports of textiles and apparel, 60% contribution comes from apparel, and 40% from textiles. (Source: Technopak Report, 2014)



The current textile industry structure in India is with maximum players in the Fibres and Yarns and very few players in the Garmenting and retailing sector. But now Indian players have realized the need to be a vertically integrated player and more and more companies are moving up the value chain both organically as well as through consolidations.

The major sub-sectors that comprise the textiles sector include the organized Cotton / Man-Made Fibre Textiles Mill Industry, the Man-made Fibre / Filament Yarn Industry, the Wool and Woollen Textiles Industry, the Sericulture and Silk Textiles Industry, Handlooms, Handicrafts, the Jute and Jute Textiles Industry, and Textiles Exports.

Market Size of Textile Industry in India

The size of India's Textile market in 2011 was US\$89 billion, the market expected to expand at a compounded annual growth rate (CAGR) of 10.1% over 2009-2021.



The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. Abundant availability of raw materials such as cotton, wool, silk and jute and skilled workforce has made India a sourcing hub.

The most significant change in the Indian textile industry has been the advent of man-made fibres (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. MMF production increased by 6 per cent during December 2013. The production increased by about 4 per cent during the year April-December 2013.

Cotton yarn production increased by 6 per cent during December 2013 and by 10 per cent during April-December 2013. Blended and 100 per cent non-cotton yarn production increased by 5 per cent during December 2013 and increased by 8 per cent during the year April-December 2013.

Cloth production by mill sector increased by 4 per cent during December 2013 and by 6 per cent during April-December 2013. Cloth production by handloom, and hosiery increased by 3 per cent and 11 per cent respectively during December 2013. Production by handloom, and hosiery sectors increased by 4 per cent and 13 per cent during April-December 2013. The total cloth production grew by 2 per cent during April-December 2013.

The potential size of the Indian textile and apparel industry is expected to reach US\$ 221 billion by 2021. Garment exports from India is expected to touch US\$ 60 billion over the next 3 years, with the help of government support.

(Source: www.ibef.org)

BUSINESS OVERVIEW

Our Company was originally incorporated at New Delhi as "Amsons Apparels Private Limited" on 16th September, 2003 under the provisions of the Companies Act, 1956. Our Company was converted in to a Public Limited Company and consequently the name was changed to "Amsons Apparels Limited" vide fresh certificate of incorporation dated 14th November, 2013 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana.

We are currently engaged in the business of trading of fabrics. We are a multi-product fabric trading Company and our range includes fabrics for Silk, Polyester, Lace Fabrics, Netting Fabrics, Coarse Cotton Fabric, suiting, shirting, linen, jute and other fabrics. We primarily cater to retailers in Delhi and NCR Regions, wherein we supply mid range of unstitched fabrics.



Our business process can be summarized as under:-

Identification of current market trend: Our team headed by our management keeps a close eye on the customer preference and change in the fashion and taste of wide range of customer in textile industry

Sourcing the material: Based on feedback of our team, we explore the various options for sourcing the products. For identifying the vendors, we assess the various possible options on factors such as capacity, credibility in the market, quality awareness and experience. After identifying the vendors for the goods, we place purchase orders.

Tapping the retailers: Simultaneously with the sourcing of material, our marketing team constantly keeps in touch with retailers and showcase its samples and collects purchase orders and build delivery schedule and process to our inventory scheduling team.

We are currently serving the corporate and other clients from various spheres of textile industry. Our customers during FY 2014 include Surana Enterprises, Shivam Sales Corporation, Bhagwati Traders, B K Trading Co., Vaibhav International, Paras Enterprises, GT Trading Co., Aggarwal Traders amongst others.

SWOT

Strengths

- Diversified Product Portfolio
- Experienced Management Team
- Cordial relations with customers

Weakness

- Higher Taxes and interest rate.
- Rapid changes in fashion and textile industry
- Working capital intensive

Opportunities

- Large Potential.
- Emerging retail industry and Malls provide huge opportunities for apparel and other segments.

Threats

- Competition from other developing countries especially from China
- Rising prices of materials
- Formation of cartels
- Any change or shift of focus of Government policies may adversely impact our financials



SUMMARY OF FINANCIAL DATA

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|---|---------------|---------------|---------------|---------------|--------------|-------------|
| Equity & Liabilities | | | | | | |
| Shareholders' Funds | | | | | | |
| Share Capital | 902.70 | 478.35 | 478.35 | 300.00 | 1.00 | 1.00 |
| Reserve & Surplus | 7.81 | 6.17 | 1.91 | 0.36 | (0.52) | (0.51) |
| Total (A) | 910.51 | 484.52 | 480.26 | 300.36 | 0.48 | 0.49 |
| Non Current Liabilities | | | | | | |
| Long Term Borrowings / Payables | - | 127.20 | 295.92 | - | - | - |
| Share Application Money Pending Allotment | - | - | - | - | 96.00 | - |
| Deferred Tax Liabilities / (Assets) | 0.98 | 0.96 | 0.15 | - | - | - |
| Total (B) | 0.98 | 128.16 | 296.07 | - | 96.00 | - |
| Current Liabilities | | | | | | |
| Short Term Borrowings | - | - | - | - | - | - |
| Trade Payables | 43.22 | 20.43 | 39.24 | 41.22 | - | - |
| Other Current Liabilities | 1.42 | 0.69 | 0.08 | - | 0.01 | - |
| Short Term Provisions | 0.77 | 1.20 | 0.54 | 0.40 | - | - |
| Total (C) | 45.42 | 22.32 | 39.86 | 41.62 | 0.01 | - |
| Total (D=A+B+C) | 956.91 | 635.00 | 816.19 | 341.98 | 96.49 | 0.49 |
| Assets | | | | | | |
| Fixed Assets | 9.34 | 10.28 | 6.79 | - | - | - |
| Deposits / Long Term Loans & Advances | 169.87 | 114.00 | 219.37 | 21.63 | - | - |
| Preliminary Expenses | 6.55 | 7.48 | - | - | - | - |
| Non Current Investments | 344.00 | - | - | - | - | - |
| Total (E) | 529.76 | 131.76 | 226.16 | 21.63 | - | - |
| Current Assets | | | | | | |
| Trade Receivables | 156.06 | 98.80 | 26.63 | 40.45 | - | - |
| Inventories of Stock in Trade | - | - | - | - | - | - |
| Current Investments | 84.50 | 84.50 | 283.50 | 279.00 | 96.00 | - |
| Cash & Bank Balances | 30.96 | 24.50 | 1.28 | 0.72 | 0.49 | 0.49 |
| Short Term Loans & Advances | 155.63 | 295.43 | 278.50 | - | - | - |
| Other Current Assets | - | 0.01 | 0.12 | 0.18 | - | - |
| Total (F) | 427.15 | 503.24 | 590.03 | 320.35 | 96.49 | 0.49 |
| Total (G=E+F) | 956.91 | 635.00 | 816.19 | 341.98 | 96.49 | 0.49 |



STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Income | | | | | | |
| Sale of Goods Traded | 226.36 | 321.00 | 209.69 | 146.26 | - | - |
| Other Income | - | 0.08 | 1.27 | 1.81 | - | - |
| Total | 226.36 | 321.08 | 210.96 | 148.07 | - | - |
| Expenditure | | | | | | |
| Purchases of Goods Traded | 203.45 | 294.50 | 201.59 | 143.95 | - | - |
| Changes in Inventories of Stock in Trade | - | - | - | - | - | - |
| Employees Benefit Expenses | 6.43 | 7.67 | 3.36 | 1.44 | - | - |
| Administrative, Selling & Other Expenses | 13.00 | 10.10 | 3.43 | 1.40 | 0.01 | 0.01 |
| Total | 222.88 | 312.27 | 208.38 | 146.79 | 0.01 | 0.01 |
| Profit before Depreciation, Interest and Tax | 3.48 | 8.81 | 2.58 | 1.28 | (0.01) | (0.01) |
| Depreciation & Amortisation Expenses | 1.04 | 2.27 | 0.17 | - | - | - |
| Profit before Interest & Tax | 2.44 | 6.54 | 2.41 | 1.28 | (0.01) | (0.01) |
| Finance Expenses | 0.01 | 0.27 | 0.18 | - | - | - |
| Net Profit before Tax | 2.43 | 6.27 | 2.23 | 1.28 | (0.01) | (0.01) |
| Less: Provision for Taxes: | | | | | | |
| Current Tax | 0.77 | 1.20 | 0.54 | 0.40 | - | - |
| Deferred Tax | 0.02 | 0.81 | 0.15 | - | - | - |
| Net Profit After Tax & Before Extraordinary Items | 1.64 | 4.26 | 1.54 | 0.88 | (0.01) | (0.01) |
| Extra Ordinary Items (Net of Tax) | - | - | - | - | - | - |
| Net Profit | 1.64 | 4.26 | 1.54 | 0.88 | (0.01) | (0.01) |



STATEMENT OF CASH FLOW, AS RESTATED

(Rs. In Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|--|-----------------|-----------------|-----------------|-----------------|----------------|---------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| Net profit after taxes | 2.43 | 6.27 | 2.23 | 1.28 | (0.01) | (0.01) |
| Adjustment for: | | | | | | |
| Add: Depreciation & Amortisation Expenses | 1.04 | 2.27 | 0.17 | - | - | - |
| Add: Preliminary Expenses Written Off | 0.93 | 1.87 | - | - | - | - |
| Less: Interest Income | | 0.08 | 1.27 | - | - | - |
| Operating Profit before Working capital changes | 4.40 | 10.49 | 3.67 | 1.28 | (0.01) | (0.01) |
| Adjustments for: | | | | | | |
| Decrease (Increase) in Trade Receivables | (57.25) | (72.17) | 13.82 | (40.45) | - | - |
| Decrease (Increase) in Inventories | - | - | - | - | - | - |
| Decrease (Increase) in Short Term Loans & Advances | 139.80 | (16.93) | (278.50) | - | - | - |
| Decrease (Increase) in Other Current Assets | 0.01 | 0.11 | 0.06 | (0.18) | - | 0.14 |
| Increase (Decrease) in Short Term Borrowings | | - | - | - | - | - |
| Increase (Decrease) in Trade Payables | 22.79 | (18.81) | (1.96) | 41.20 | - | - |
| Increase (Decrease) in Other Current Liabilities | 0.73 | 0.61 | 0.06 | 0.01 | 0.01 | (0.14) |
| Net Changes in Working Capital | 106.08 | (107.19) | (266.52) | 0.58 | 0.01 | (0.00) |
| Cash Generated from Operations | 110.48 | (96.70) | (262.85) | 1.86 | - | (0.01) |
| Direct Taxes (Paid)/ Refunds | (1.20) | (0.54) | (0.39) | - | - | - |
| Net Cash Flow from Operating Activities (A) | 109.28 | (97.24) | (263.24) | 1.86 | - | (0.01) |
| | | | | | | |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | | |
| Sale /(Purchase) of Fixed Assets | (0.10) | (5.76) | (6.96) | - | - | - |
| Decrease (Increase) in Deposits / Long Term Loans & Adv. | (55.87) | 105.37 | (197.74) | (21.63) | - | - |
| Sale /(Purchase) of Current Investments | - | 199.00 | (4.50) | (183.00) | (96.00) | - |
| Sale /(Purchase) of Non Current Investments | (344.00) | | | | | |
| | | | | | | |
| Net Cash Flow from Investing Activities (B) | (399.97) | 298.61 | (209.20) | (204.63) | (96.00) | - |
| | | | | | | |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | | |
| Issue of share capital | - | - | 178.35 | 299.00 | - | - |
| Increase / (Repayment) of Share Application Money | 424.35 | - | - | (96.00) | 96.00 | - |
| Interest & Finance Income | - | (0.08) | (1.27) | - | - | - |
| Preliminary Expenses Incurred | - | (9.35) | - | - | - | - |
| Increase / (Repayment) of Long Term Borrowings | (127.20) | (168.72) | 295.92 | - | - | - |
| Net Cash Flow from Financing Activities (C) | 297.15 | (178.15) | 473.00 | 203.00 | 96.00 | - |
| Net Increase / (Decrease) in Cash & Equivalents | 6.46 | 23.22 | 0.56 | 0.23 | - | (0.01) |
| Cash and equivalents at the beginning of the year / Period | 24.50 | 1.28 | 0.72 | 0.49 | 0.49 | 0.50 |
| Cash and equivalents at the end of the year/ Period | 30.96 | 24.50 | 1.28 | 0.72 | 0.49 | 0.49 |



ISSUE DETAILS IN BRIEF

PRESENT ISSUE IN TERMS OF THIS PROSPECTUS

| | |
|--|---|
| Equity Shares Offered: Fresh Issue of Equity Shares by our Company | Issue of 32,50,000 Equity Shares of Rs. 10 each at a price of Rs. 10 per Equity Share aggregating Rs. 325.00 Lacs |
| Of Which: | |
| Issue Reserved for the Market Makers | 1,70,000 Equity Shares of Rs. 10/- each at a price of Rs. 10 per Equity Share aggregating Rs. 17.00 Lacs |
| Net Issue to the Public | 30,80,000 Equity Shares of Rs. 10 each at a price of Rs. 10 per Equity Share aggregating Rs. 308.00 Lacs |
| Equity Shares outstanding prior to the Issue | 90,27,000 Equity Shares of face value of Rs. 10 each |
| Equity Shares outstanding after the Issue | 1,22,77,000 Equity Shares of face value of Rs. 10 each |
| Objects of the Issue | Please refer section titled " <i>Objects of the Issue</i> " on page 42 of this Prospectus |

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to "*Issue Structure*" on page 130 of this Prospectus.



GENERAL INFORMATION

AMSONS APPARELS LIMITED

Our Company was originally incorporated at New Delhi as “Amsons Apparels Private Limited” on 16th September, 2003 under the provisions of the Companies Act, 1956. Our Company was converted in to a Public Limited Company and consequently the name was changed to “Amsons Apparels Limited” vide fresh certificate of incorporation dated 14th November, 2013 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana.

REGISTERED OFFICE & CORPORATE OFFICE:

No. 116, First Floor, Hemkunt Chamber,
89, Nehru Place,
New Delhi – 110 019
Tel: +91-11-3231 7247
Email: amsonsapparels@yahoo.com
Website: www.amsonsapparels.com

COMPANY REGISTRATION NUMBER: 122266

COMPANY IDENTIFICATION NUMBER: U74899DL2003PLC122266

ADDRESS OF REGISTRAR OF COMPANIES

4th Floor, IFCI Tower,
61, Nehru Palace,
New Delhi- 110019
Tel: 011-26235707, 26235708, 26235709
Fax: 011-26235702,
Email: roc.delhi@mca.gov.in

DESIGNATED STOCK EXCHANGE: BSE Limited

LISTING OF SHARES OFFERED IN THIS ISSUE: SME platform of BSE

For details in relation to the changes to the name of our Company, please refer to the section titled “Our *History and Corporate Structure*” beginning on page 72 of this Prospectus.

CONTACT PERSON: Mr. Sachin Verma, Company Secretary & Compliance Officer; No. 116, First Floor, Hemkunt Chamber, 89, Nehru Place, New Delhi – 110 019 ; Tel:+91-11-3231 7247; Email: amsonsapparels@yahoo.com

BOARD OF DIRECTORS:

Our Board of Directors comprise of the following members:

| NAME | DESIGNATION | DIN | OCCUPATION | AGE | ADDRESS |
|----------------------|--|----------|------------|--------|---|
| Mr. Vinay Kumar | Promoter & Whole Time Director | 06617479 | Business | 30 Yrs | D-50, Block –D, Ali Vihar, New Delhi -110 076 |
| Mr. Vishal Yadav | Non Independent & Non-Executive Director | 06575088 | Business | 31 Yrs | 209, Guru Ram Dass Nagar, Laxmi Nagar, Delhi – 110 092 |
| Mr. Amit Kumar Gupta | Independent & Non-Executive Director | 06929401 | Service | 39 Yrs | 333, Gali No. 5, A-Block, Prem Vihar, New Delhi – 110 052 |



| NAME | DESIGNATION | DIN | OCCUPATION | AGE | ADDRESS |
|-----------------------|--------------------------------------|----------|------------|--------|--|
| Ms. Radhika Thapliyal | Independent & Non-Executive Director | 06929395 | Service | 31 Yrs | H. No. 1, Mitralok Colony, Akashadeep Colony, Cantt. Dehradun Uttarakhand- 248 001 |

For further details of Management of our Company, please refer to section titled "Our Management" on page 74 of this Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Sachin Verma

Company Secretary & Compliance Officer,
No. 116, First Floor, Hemkunt Chamber,
89, Nehru Place,
New Delhi – 110 019
Tel:+91-11-3231 7247
Email: amsonsapparels@yahoo.com

Investors can contact our Compliance Officer in case of any pre-Issue or post-Issue related matters such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.

CHIEF FINANCIAL OFFICER

Mr. Gaurav Bansal

Chief Financial Officer,
No. 116, First Floor, Hemkunt Chamber,
89, Nehru Place,
New Delhi – 110 019
Tel:+91-11-3231 7247
Email: amsonsapparels@yahoo.com

STATUTORY AUDITORS

S A JAIN & ASSOCIATES

Chartered Accountants
MB 84, Shakarpur,
Delhi – 110 092
E-mail: anuj.jain.g@gmail.com
Contact Person: Mr. Anuj Jain
Membership No. 525676
Firm Registration No.-025238N

PEER REVIEW AUDITORS

GUPTA RAUTELA & CO.

Chartered Accountants
A-10, MGS Chambers, 1st Floor,
Nehru Ground, NIT.
Faridabad,
Tel: +91-129-4035 759
E-mail: caguptarautelagroup@yahoo.com
Firm Registration No.-011235C



LEAD MANAGER

BCB BROKERAGE PRIVATE LIMITED.

1207-A, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai-400 001
Tel: +91-22-22720000 (146)
Fax: +91-22-22722451
Email: mbd@bcbbrokerage.com
Investor Grievance Email: mbd@bcbbrokerage.com
Website: www.bcbbrokerage.com
SEBI Registration No. INM000012078
Contact Person: Mr. Varun Kacholia

LEGAL ADVISORS TO THE ISSUE

SUNIL SHUKLA

4, Shanti Sadan,
Opp. Haweli Poddar Road,
Malad (E),
Mumbai – 400 097

REGISTRAR TO THE ISSUE

BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED

Beetal House', 3rd Floor, 99 Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi - 110 062
Tel: +91-11-2996 1281-83
Fax: +91-11-2996 1284
E-mail: beetalrta@gmail.com
Website: www.beetalfinancial.com
SEBI Regn. No.: INR 000000262
Contact Person: Mr. Puneet Mittal

ESCROW COLLECTION BANK / BANKER TO THE ISSUE AND REFUND BANKER

HDFC BANK LIMITED

I Think Techno Campus
Level 0-3, Next to Kanjur Marg Railway Station
Kanjur Marg (E), Mumbai – 400 042
Attn: Uday Dixit
Email: uday.dixit@hdfcbank.com
Contact No.: +91-22 3075 2927
Fax No.: +91-22 2579 9801

SELF CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (“ASBA”) Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

CREDIT RATING

As the Issue is of Equity shares, credit rating is not mandatory.



TRUSTEES

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

IPO GRADING

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

BROKERS TO THE ISSUE

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

APPRAISAL AND MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 500.00 Crores. Since the Issue size is only of Rs. 325.00 Lacs, our Company has not appointed any monitoring agency for this Issue. However, as per the Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the Equity Shares and the Corporate Governance requirements, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

DETAILS OF THE APPRAISING AUTHORITY

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Since BCB Brokerage Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Manager's is not required.

EXPERT OPINION

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

UNDERWRITING AGREEMENT

Underwriting

This Issue is 100% Underwritten. The Underwriting Agreement is dated 31st October, 2014 Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

| Name and Address of the Underwriters | Number of Equity shares Underwritten | Amount Underwritten (Rupees In Lacs) |
|---|--------------------------------------|--------------------------------------|
| BCB BROKERAGE PRIVATE LIMITED. 1207-A, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001 Tel: +91-22-22720000 (146) Fax: +91-22-22722451 Email: mbd@bcbbrokerage.com Investor Grievance Email: mbd@bcbbrokerage.com Website: www.bcbbrokerage.com | 5,00,000 | 50.00 |



| Name and Address of the Underwriters | Number of Equity shares Underwritten | Amount Underwritten (Rupees In Lacs) |
|--|--------------------------------------|--------------------------------------|
| SEBI Registration No. INM000012078 Contact Person: Mr. Varun Kacholia | | |
| INDO JATALIA SECURITIES PRIVATE LIMITED 1010, Surya Kiran Building, 19, Kasturba Gandhi Marg, Connaught Place, New Delhi-110 001 Tel: +91-11-4042 4209 Fax: +91-11-4042 4200 Email: ravijain@indojatalia.in Website: www.indojatalia.in SEBI Registration No. INB011278133 Contact Person: Mr. Ravi Raj Jain | 27,50,000 | 275.00 |
| Total | 32,50,000 | 325.00 |

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company has entered into an agreement dated 31st October, 2014 with the Lead Manager and Market Maker to fulfill the obligations of Market Making.

NAME AND ADDRESS OF THE MARKET MAKER

INDO JATALIA SECURITIES PRIVATE LIMITED
1010, Surya Kiran Building, 19, Kasturba Gandhi Marg,
Connaught Place, New Delhi-110 001
Tel: +91-11-4042 4209
Fax: +91-11-4042 4200
Email: ravijain@indojatalia.in
Website: www.indojatalia.in
SEBI Registration No. INB011278133
Contact Person: Mr. Ravi Raj Jain

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. After a period of three (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 %. (Including the 5 % of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 5% of



Issue Size would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.

4. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
8. The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker(s) shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

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

11. **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
12. **Punitive Action in case of default by Market Makers:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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



13. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:
- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
 - iii. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME Exchange/ Platform.

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



CAPITAL STRUCTURE

The Share Capital of the Company as at the date of this Prospectus, before and after the Issue, is set forth below.
(Rs. in Lacs, except share data)

| Sr. No | Particulars | Aggregate value at face value | Aggregate value at Issue Price |
|-----------|--|-------------------------------|--------------------------------|
| A. | Authorized Share Capital | | |
| | 1,50,00,000 Equity Shares of face value of Rs.10 each | 1500.00 | 1500.00 |
| B. | Issued, subscribed and paid-up Equity Share Capital before the Issue | | |
| | 90,27,000 Equity Shares of face value of Rs. 10 each | 902.70 | 902.70 |
| C. | Present Issue in terms of the Prospectus | | |
| | Issue of 32,50,000 Equity Shares of Rs. 10 each at a price of Rs. 10 per Equity Share. | 325.00 | 325.00 |
| | Which comprises | | |
| | 1,70,000 Equity Shares of Rs. 10/- each at a price of Rs. 10 per Equity Share reserved as Market Maker Portion | 17.00 | 17.00 |
| | Net Issue to Public of 30,80,000 Equity Shares of Rs. 10/- each at a price of Rs. 10 per Equity Share to the Public | 308.00 | 308.00 |
| | Of which | | |
| | 15,40,000 Equity Shares of Rs.10/- each at a price of Rs. 10 per Equity Share will be available for allocation for Investors of up to Rs. 2.00 Lacs | 154.00 | 154.00 |
| | 15,40,000 Equity Shares of Rs. 10/- each at a price of Rs. 10 per Equity Share will be available for allocation for Investors of above Rs. 2.00 Lacs | 154.00 | 154.00 |
| D. | Equity capital after the Issue | | |
| | 1,22,77,000 Equity Shares of Rs. 10 each | 1227.70 | 1227.70 |
| E. | Securities Premium Account | | |
| | Before the Issue | | Nil |
| | After the Issue | | Nil |

*This Issue has been authorized by the Board of Directors pursuant to a board resolution dated 17th July, 2014 and by the shareholders of our Company pursuant to a special resolution dated 24th July, 2014 passed at the EGM of shareholders under section 62 (1)(c) of the Companies Act, 2013.

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

CHANGES IN THE AUTHORIZED SHARE CAPITAL OF OUR COMPANY:

| Sr. No. | Particulars of Change | | Date of Shareholders' Meeting | Meeting AGM/EGM |
|---------|--|--|---------------------------------|-----------------|
| | From | To | | |
| 1 | - | 10,000 Equity Shares of Rs. 10 each | - | Incorporation |
| 2 | 10,000 Equity Shares of Rs. 10 each | 30,00,000 Equity Shares of Rs. 10 each | 27 th March, 2012 | EGM |
| 3 | 30,00,000 Equity Shares of Rs. 10 each | 50,00,000 Equity Shares of Rs. 10 each | 30 th April, 2012 | EGM |
| 4 | 50,00,000 Equity Shares of Rs. 10 each | 1,50,00,000 Equity Shares of Rs. 10 each | 25 th November, 2013 | EGM |



NOTES FORMING PART OF CAPITAL STRUCTURE

1. Equity Share Capital history of our Company

| Date of/ issue allotment of Shares | No. of Equity Shares Issued | Face value (Rs) | Issue price (Rs.) | Consideration (cash, bonus, consideration other than cash) | Nature of allotment (Bonus, swap etc.) | Cumulative no. of Equity Shares | Cumulative paid-up share capital (Rs.) | Cumulative share premium (Rs.) |
|------------------------------------|-----------------------------|-----------------|-------------------|--|--|---------------------------------|--|--------------------------------|
| Incorporation | 10000 | 10 | 10 | Cash | Subscription to MOA | 10000 | 100000 | NIL |
| 31/03/2012 | 2990000 | 10 | 10 | Cash | Further Allotment | 3000000 | 30000000 | NIL |
| 30/10/2012 | 1783500 | 10 | 10 | Cash | Further Allotment | 4783500 | 47835000 | NIL |
| 16/07/2014 | 4243500 | 10 | 10 | Cash | Further Allotment | 9027000 | 90270000 | NIL |

2. We have not issued any Equity Shares for consideration other than cash.

3. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 230- 233 of the Companies Act, 2013.

4. Issue of Equity Shares in the last one (1) year:

Except as stated below, we have not issued any Equity Shares in the preceding one year:

| Date of Allotment | Number of Equity Shares | Name of the Allottees | Relationship with the Promoters | Reasons for the Allotment | Face Value (in Rs.) | Issue Price (in Rs.) |
|-------------------|-------------------------|---|---------------------------------|---|---------------------|----------------------|
| 16/07/2014 | 4243500 | Wave Mercantile Pvt. Ltd. (2123500) DJ Yatayat Pvt. Ltd. (2120000) | Non Promoter | Allotment to infuse funds in to the Company | 10 | 10 |

5. Shareholding of our Promoters:

Set forth below are the details of the build-up of shareholding of our Promoters

| 1. Mr. Vinay Kumar | | | | | | | |
|------------------------------|---------------|----------------------|----------------------------|---|------------------------|--------------------------|---------------------------|
| Date of Allotment / Transfer | Consideration | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/ Transfer price (Rs.) | Nature of Transactions | Pre-issue shareholding % | Post-issue shareholding % |
| 30/10/2012 | Cash | 500000 | 10 | 10 | Allotment | | |
| 30/10/2012 | Cash | 499800 | 10 | 10 | Acquisition | | |
| 31/10/2013 | Cash | (600000) | 10 | 10 | Sell | | |



| 1. Mr. Vinay Kumar | | | | | | | |
|------------------------------|---------------|----------------------|----------------------------|---|------------------------|--------------------------|---------------------------|
| Date of Allotment / Transfer | Consideration | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/ Transfer price (Rs.) | Nature of Transactions | Pre-issue shareholding % | Post-issue shareholding % |
| 05/04/2014 | Cash | (384800) | 10 | 10 | Sell | | |
| Total | | 15000 | | | | 0.17 | 0.12 |

| 2. Mallya Real Estates Private Limited | | | | | | | |
|--|---------------|----------------------|----------------------------|---|------------------------|--------------------------|---------------------------|
| Date of Allotment / Transfer | Consideration | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/ Transfer price (Rs.) | Nature of Transactions | Pre-issue shareholding % | Post-issue shareholding % |
| 30/10/2012 | Cash | 1283500 | 10 | 10 | Allotment | | |
| 30/10/2012 | Cash | 499800 | 10 | 10 | Acquisition | | |
| 31/10/2013 | Cash | 600000 | 10 | 10 | Acquisition | | |
| 05/04/2014 | Cash | 774800 | 10 | 10 | Acquisition | | |
| Total | | 3158100 | | | | 34.99 | 25.72 |

Details of Promoters' contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations aggregate of 20% of the post-Issue capital held by our Promoters shall be considered as promoters' contribution ("**Promoters Contribution**") and locked-in for a period of three years from the date of Allotment. 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.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20% of the post-Issue Equity Share capital of our Company as Promoters Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution from the date of filing of this Prospectus until the commencement of the lock-in period specified above.

| Name of Promoter | No. of shares locked in | Date of Allotment/ Acquisition/ Transfer | Issue Price / Purchase Price / Transfer Price (Rs. per share) | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
|-------------------------------|-------------------------|--|---|---------------------------------------|--|
| Mallya Real Estates Pvt. Ltd. | 12,83,500 | 30/10/2012 | 10 | | |
| | 4,99,800 | 30/10/2012 | 10 | | |
| | 6,00,000 | 31/10/2013 | 10 | | |
| | 1,16,700 | 05/04/2014 | 10 | | |



| Name of Promoter | No. of shares locked in | Date of Allotment/ Acquisition/Transfer | Issue Price / Purchase Price / Transfer Price (Rs. per share) | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
|------------------|-------------------------|---|---|---------------------------------------|--|
| TOTAL | 25,00,000 | | | 27.69 | 20.36 |

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

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters' Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.
- Equity shares issued to our Promoters on conversion of partnership firms into limited companies.

Specific written consent has been obtained from the Promoters for inclusion of the Equity Shares for ensuring lock-in of three years to the extent of minimum 20% of post -Issue paid-up Equity Share Capital from the date of allotment in the proposed public Issue. Promoters' Contribution does not consist of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters' Contribution constituting 20% of the post-Issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

All Equity Shares, which are to be locked-in, are eligible for computation of Promoters' Contribution, in accordance with the SEBI (ICDR) Regulations, 2009. Accordingly we confirm that the Equity Shares proposed to be included as part of the Promoters' Contribution:

- a) have not been subject to pledge or any other form of encumbrance; or
- b) have not been acquired, during preceding three years, for consideration other than cash and revaluation of assets or capitalization of intangible assets is not involved in such transaction;
- c) is not resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Issuer or from bonus issue against Equity Shares which are ineligible for minimum Promoters' Contribution;



- d) have not been acquired by the Promoters during the period of one year immediately preceding the date of filing of this Prospectus at a price lower than the Issue Price.

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

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

6. Details of share capital locked in for one year:

In addition to 20% of the post-Issue shareholding of our Company held by the Promoters (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, 2009, the entire pre-Issue share capital of our Company (including the Equity Shares held by our Promoters) shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment, in accordance with regulation 37 of SEBI (ICDR) Regulations, 2009, in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in the hands of transferees for the remaining period and compliance with the Takeover Code.

7. Shareholding pattern of our Company:

A: The following table presents the shareholding pattern of Our Company

| Category of Shareholder | No. of Shareholders | Pre-Issue | | Post-Issue | | Shares Pledged or otherwise encumbered | |
|---|---------------------|----------------------|-------------------------|----------------------|-------------------------|--|--------|
| | | No. of Equity Shares | As a % of Issued Equity | No. of Equity Shares | As a % of Issued Equity | Number of shares | As a % |
| Shareholding of Promoters and Promoter group | | | | | | | |
| INDIAN | | | | | | | |
| Individuals/HUFs Directors/Relatives | 1 | 15000 | 0.17 | 15000 | 0.12 | --- | --- |
| Central Govt. / State Govts. | - | --- | --- | --- | --- | --- | --- |
| Bodies Corporate | 1 | 3158100 | 34.99 | 3158100 | 25.72 | --- | --- |
| Financial Institutions/Banks | - | --- | --- | --- | --- | --- | --- |
| Sub Total A (1) | 2 | 3173100 | 35.16 | 3173100 | 25.84 | --- | --- |
| FOREIGN | | | | | | | |
| Bodies Corporate | - | --- | --- | --- | --- | --- | --- |
| Individual | - | --- | --- | --- | --- | --- | --- |
| Institutions | - | --- | --- | --- | --- | --- | --- |
| Any others (specify) | - | --- | --- | --- | --- | --- | --- |
| Sub Total A (2) | - | --- | --- | --- | --- | --- | --- |
| Total Shareholding of Promoter group A (1) + A (2) | 2 | 3173100 | 35.16 | 3173100 | 25.84 | --- | --- |



| Category of Shareholder | No. of Shareholders | Pre-Issue | | Post-Issue | | Shares Pledged or otherwise encumbered | |
|--|---------------------|----------------------|-------------------------|----------------------|-------------------------|--|--------|
| | | No. of Equity Shares | As a % of Issued Equity | No. of Equity Shares | As a % of Issued Equity | Number of shares | As a % |
| PUBLIC SHAREHOLDING | | | | | | | |
| Institutions | | | | | | | |
| Central Govt./ State Govts. | - | --- | --- | [•] | [•] | --- | --- |
| Financial Institutions/Banks | - | --- | --- | [•] | [•] | --- | --- |
| Mutual Funds/UTI | - | --- | --- | [•] | [•] | --- | --- |
| Venture Capital Funds | - | --- | --- | [•] | [•] | --- | --- |
| Insurance Companies | - | --- | --- | [•] | [•] | --- | --- |
| Foreign Institutions Investors | - | --- | --- | [•] | [•] | --- | --- |
| Foreign Venture Capital Investors | - | --- | --- | [•] | [•] | --- | --- |
| Any Others (Specify) | - | --- | --- | [•] | [•] | --- | --- |
| Sub Total B (1) | - | --- | --- | [•] | [•] | --- | --- |
| Non Institutions | - | --- | --- | | | | |
| Bodies Corporate | 5 | 5843500 | 64.73 | [•] | [•] | --- | --- |
| Individuals-shareholders holding normal share capital up to Rs. 1 Lac | 2 | 10400 | 0.11 | [•] | [•] | --- | --- |
| Individuals-shareholders holding normal Share capital in excess of Rs.1 Lac | - | --- | --- | [•] | [•] | --- | --- |
| Trust | - | --- | --- | [•] | [•] | --- | --- |
| Any Other (i) Clearing Member | - | --- | --- | [•] | [•] | --- | --- |
| Directors/Relatives | - | --- | --- | [•] | [•] | --- | --- |
| Employees | - | --- | --- | [•] | [•] | --- | --- |
| Foreign Nationals | - | --- | --- | [•] | [•] | --- | --- |
| NRIs | - | --- | --- | [•] | [•] | --- | --- |
| OCB'S | - | --- | --- | [•] | [•] | --- | --- |
| Person Acting in Concert | - | --- | --- | [•] | [•] | --- | --- |
| Sub Total B(2) | 7 | 5853900 | 64.84 | [•] | [•] | --- | --- |
| Total Public Shareholding B(1) + B(2) | 7 | 5853900 | 64.84 | [•] | [•] | --- | --- |
| Total A+B | 9 | 9027000 | 100.00 | 8933900 | 72.77 | --- | --- |
| Shares held by Custodians and against which Depository receipts have been issued (C) | --- | --- | --- | --- | | --- | --- |
| Shares held by Market Makers (D) | --- | --- | --- | 170000 | 1.39 | --- | --- |
| Grand Total A+B+C+D | 9 | 9027000 | 100.00 | 12277000 | 100.00 | --- | --- |



[B] Shareholding of our Promoters and Promoter Group

The table below presents the current shareholding pattern of our Promoters and Promoter Group (Individuals and Companies) as per clause 37 of the SME Listing Agreement.

| Sr. No. | Name of the Shareholders | Pre-Issue | | Post-Issue | | Shares pledged or otherwise encumbered | | |
|----------|---|----------------------|--------------------------------|----------------------|--------------------------------|--|-----------------|--|
| | | No. of Equity Shares | As a % of Issued Share Capital | No. of Equity Shares | As a % of Issued Share Capital | Number | As a percentage | As a % of grand Total (a)+(b)+(c) of Sub-clause (i)(a) |
| A | Promoters | | | | | | | |
| 1 | Mr. Vinay Kumar | 15000 | 0.17 | 15000 | 0.12 | - | - | - |
| 2 | Mallya Real Estates Pvt. Ltd. | 3158100 | 34.99 | 3158100 | 25.72 | - | - | - |
| B | Promoter Group, Relatives and other Associates | | | | | | | |
| | - | - | - | - | - | - | - | - |
| | TOTAL (A+B) | 3173100 | 35.16 | 3173100 | 25.84 | - | - | - |

[C] Shareholding of persons belonging to the category 'Public' and holding more than 1% of our Equity Shares

| Sr. No. | Name of the Shareholders | Pre-Issue | | Post-Issue | |
|---------|---------------------------|---------------|------------------------------------|---------------|------------------------------------|
| | | No. of Shares | Shares as % of total no. of shares | No. of Shares | Shares as % of total no. of shares |
| 1 | Wave Mercantile Pvt. Ltd. | 2123500 | 23.52 | 2123500 | 17.30 |
| 2 | DJ Yatayat Pvt. Ltd. | 2120000 | 23.49 | 2120000 | 17.27 |
| 3 | Ninja Health Care Ltd. | 1600000 | 17.72 | 1600000 | 13.00 |

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

| Name of the Promoters | No. of Shares held | Average cost of Acquisition (in Rs.) |
|-------------------------------|--------------------|--------------------------------------|
| Mr. Vinay Kumar | 15000 | 10 |
| Mallya Real Estates Pvt. Ltd. | 3158100 | 10 |

9. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as follows:

| Name of the Shareholders | No. of Equity Shares | Pre-Issue percentage Shareholding |
|--------------------------|----------------------|-----------------------------------|
| Mr. Vinay Kumar | 15000 | 0.17 |
| TOTAL | 15000 | 0.17 |

10. Equity Shares held by top ten shareholders

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



| Sr. No. | Name of the Shareholders | No. of Shares | % age of Pre-Issue Capital |
|---------|-------------------------------|----------------|----------------------------|
| 1 | Mallya Real Estates Pvt. Ltd. | 3158100 | 34.99 |
| 2 | Wave Mercantile Pvt. Ltd. | 2123500 | 23.52 |
| 3 | DJ Yatayat Pvt. Ltd. | 2120000 | 23.49 |
| 4 | Ninja Health Care Ltd. | 1600000 | 17.72 |
| 5 | Mr. Vinay Kumar | 15000 | 0.17 |
| 6 | Mr. Gopal Gupta | 5000 | 0.06 |
| 7 | Mr. Satendra Kumar | 5000 | 0.05 |
| 8 | Mr. Vishnu Bansal | 200 | - |
| 9 | Mr. Nitin Garg | 200 | - |
| | Total | 9027000 | 100.00 |

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

| Sr. No. | Name of the Shareholders | No. of Shares | % age of Pre-Issue Capital |
|---------|-------------------------------|----------------|----------------------------|
| 1 | Mallya Real Estates Pvt. Ltd. | 3158100 | 34.99 |
| 2 | Wave Mercantile Pvt. Ltd. | 2123500 | 23.52 |
| 3 | DJ Yatayat Pvt. Ltd. | 2120000 | 23.49 |
| 4 | Ninja Health Care Ltd. | 1600000 | 17.72 |
| 5 | Mr. Vinay Kumar | 15000 | 0.17 |
| 6 | Mr. Gopal Gupta | 5000 | 0.06 |
| 7 | Mr. Satendra Kumar | 5000 | 0.05 |
| 8 | Mr. Vishnu Bansal | 200 | - |
| 9 | Mr. Nitin Garg | 200 | - |
| | Total | 9027000 | 100.00 |

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

| Sr. No. | Name of the Shareholders | No. of Shares | % age of then Capital |
|---------|--------------------------------|----------------|-----------------------|
| 1 | Mr. Vishal Yadav | 1990000 | 66.33 |
| 2 | Nikky Jewellers Pvt. Ltd. | 500000 | 16.67 |
| 3 | Nikky Printing Press Pvt. Ltd. | 500000 | 16.67 |
| 4 | Mr. Satendra Kumar | 5000 | 0.17 |
| 5 | Mr. Gopal Gupta | 5000 | 0.16 |
| | TOTAL | 3000000 | 100.00 |

11. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares offered through the Prospectus.

12. There have been no purchase or sell of Equity Shares by the Promoters, Promoter Group and the Directors during a period of six months preceding the date on which the Prospectus is filed with BSE except as detailed below:

| Name of Promoter | Date of Transaction | No. of Shares Acquired / (Sold) | Price per Share |
|-------------------------------|---------------------|---------------------------------|-----------------|
| Vinay Kumar | 05.04.2014 | (384800) | 10 |
| Mallya Real Estates Pvt. Ltd. | 05.04.2014 | 774800 | 10 |



13. Our Company has not raised any bridge loans against the proceeds of this Issue.
14. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in paragraph on "Basis of Allotment" on page 138 of this Prospectus.
15. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
16. As on date of filing of this Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
17. On the date of filing the Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
18. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
19. Lead Manager to the Issue viz. BCB Brokerage Private Limited does not hold any Equity Shares of our Company.
20. Our Company has not revalued its assets since incorporation.
21. Our Company has not made any public issue since incorporation.
22. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law, our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
23. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus until the Equity Shares to be issued pursuant to the Issue have been listed.
24. Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
25. At any given point of time, there shall be only one denomination for a class of Equity Shares of our Company.
26. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
27. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.



Amsons Apparels Limited

28. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.

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

**OBJECTS OF THE ISSUE**

The Issue includes a fresh Issue of 32,50,000 Equity Shares of our Company at an Issue Price of Rs.10 per Equity Share.

The objects of the Issue are to finance our business expansion plans and achieve the benefits of listing on the SME platform of BSE Ltd. We believe that listing will enhance our corporate image and brand name of our Company.

The objects of the Issue are as stated below:

1. To part-finance incremental working capital requirements.
2. General Corporate Expenses
3. To meet the expenses of the Issue

The main objects of our Memorandum of Association permits us to undertake our existing activities and the activities for which the funds are being raised by us, through the present Issue. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

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

Use of Issue Proceeds

The details of the proceeds of the Issue are summarized in the table below:

| No. | Particulars | Amount |
|-----|------------------------------------|---------------|
| I | Gross Proceeds from the Issue | 325.00 |
| II | Issue Related Expenses | 50.00 |
| | Net Proceeds from the Issue | 275.00 |

Requirement of Funds

We intend to utilize the Net Proceeds of the Issue of Rs.275 Lacs ("Net Proceeds") for financing the objects as set forth below:

| Particulars | Amount |
|--|---------------|
| Funding Long Term Working Capital Requirements | 220.00 |
| General Corporate Purpose * | 55.00 |
| Total | 275.00 |

*General corporate purposes shall not exceed 25% of the Net Proceeds.

MEANS OF FINANCE

The above-mentioned fund requirement will be met from the proceeds of the Issue. We intend to fund the shortfall, if any, from internal accruals and/ or debt. Set forth below are the means of finance for the above-mentioned fund requirement:

(Rs. In Lacs)

| Particulars | Amount |
|-----------------------------|---------------|
| Net Proceeds from the Issue | 275.00 |
| Total | 275.00 |



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

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

We intend to utilize the proceeds of the Issue, after deducting underwriting and management fees, selling commissions and other expenses associated with the Issue which is estimated at Rs.67 Lacs, to meet the objects of the Issue as mentioned above.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time, and consequently, our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilisation of net proceeds of the Issue and increasing or decreasing expenditure for a particular object vis-à-vis the utilisation of net proceeds of the Issue. In case of a shortfall in the net proceeds of the Issue, our management may explore a range of options including utilising our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

We propose to meet the entire requirement of funds for the Objects from the Net Proceeds of the Issue. Accordingly, the requirement under Regulation 4(2)(g) of the SEBI ICDR Regulations of firm arrangements of finance through verifiable means for the 75% of the stated means of finance is not applicable.

In the event of a shortfall in raising the requisite capital from the proceeds of the Issue, towards meeting the Objects of the Issue, the extent of the shortfall will be met by internal accruals and/or from fresh debt.

DETAILS OF THE OBJECTS OF THE ISSUE

I. TO PART-FINANCE INCREMENTAL WORKING CAPITAL REQUIREMENTS

We are currently engaged in the business of trading of fabrics. We are a multi-product fabric trading Company and our range includes fabrics for Silk, Polyester, Lace Fabrics, Netting Fabrics, Coarse Cotton Fabric, suiting, shirting, linen, jute and other fabrics.

Going forward, we plan to increase our volume of operations. Therefore, our anticipated growth would push up the increase in sales and thereby need of additional long term working capital on account of providing credit period sought by our clients and inventory holding levels. We would also intend to keep shorter credit period from our creditors in order to avail materials at attractive rate to surge in our bottom-line.

In the usual course of our business we have funded our working capital limits from our internal sources and unsecured loans.

The working capital requirement of the company as per the latest financial statements i.e. 31st March, 2014 is Rs. 396.41 Lacs. The working capital of Fiscal 2015 has been assessed at Rs. 520.00 Lacs and for Fiscal 2016 has been assessed at Rs. 620.00 Lacs. This will entail the incremental working capital requirement of Rs. 223.59 Lacs in fiscal 2015 and fiscal 2016. The funding pattern of the requirement for the working capital is as below:

(A) Issue Proceeds: We intend to utilize Rs. 120.00 Lacs towards the total working capital requirements for Fiscal 2015 & Rs. 100.00 Lacs towards the total working capital requirements for Fiscal 2016.

(B) Internal Accruals: We intend to utilize Rs. 3.59 Lacs towards the total working capital requirements for Fiscal 2015.



We have estimated the working capital requirement, which is as under:

(Rs. In Lacs)

| Particulars | Basis (Days) | Amount (Fiscal 2015) Estimated | Amount (Fiscal 2016) Estimated |
|----------------------------------|--------------|--------------------------------|--------------------------------|
| Debtors | 90.00 | 175.00 | 300.00 |
| Inventories | 30.00 | 60.00 | 100.00 |
| Cash & Bank Balances | -- | 35.00 | 35.00 |
| Advances to Suppliers | | 250.00 | 200.00 |
| Other Current Assets | -- | 35.00 | 40.00 |
| Total (A) | | 555.00 | 675.00 |
| Less: | | | |
| Creditors | 15.00 | 20.00 | 40.00 |
| Expenses & Other Liabilities | | 15.00 | 15.00 |
| Total (B) | | 35.00 | 55.00 |
| Net Working Capital (A-B) | | 520.00 | 620.00 |

The funding pattern of the incremental working capital is tabled as below:

(Rs. In Lacs)

| Particulars | Fiscal 2014 | Fiscal 2015 | Fiscal 2016 |
|---|---------------|---------------|---------------|
| Total Working Capital | 396.41 | 520.00 | 620.00 |
| Incremental Working Capital | ---- | 123.59 | 100.00 |
| Funding Pattern : | | | |
| Proceeds from the public Issue | N.A. | 120.00 | 100.00 |
| Proceeds from internal accruals already in system | N.A. | 3.59 | -- |

Justification of Holding Level

- Receivables (Sales):

The level of receivables as at 31.03.2014 was 112 Days. The receivables levels for subsequent financial year i.e. fiscal 2015 and fiscal 2016 are estimated at 90 Days.

- Inventories:

The level of Inventories was at Nil for Fiscal 2014. It is estimated to be maintained at a level of 30 Days for fiscal 2015 and fiscal 2016 and this level assumed is considered satisfactory.

- Creditors:

Actual level of creditors as at 31.03.2014 was at 25 Days. It is estimated to be maintained at a level of 15 Days for fiscal 2015 and fiscal 2016 to procure materials at attractive rates.

II. GENERAL CORPORATE PURPOSES

Our Company in accordance with the policies set up by our Board, will have flexibility in applying the remaining Net proceeds of this Issue aggregating 55.00 Lacs, for general corporate purpose towards, financing normal capital expenditure, strategic initiatives, expanding into new geographies, pre-operative expenses, funding routine working capital and strengthening our marketing capabilities.

**II. TO MEET THE EXPENSES OF THE ISSUE**

The total estimated expenses are Rs. 50.00 Lacs which is 15.38 % of Issue Size. The details of Issue expenses are tabulated below:

| | | (Rs. In Lacs) |
|--------------|--|-------------------------|
| No. | Particulars | Amount (Rs. In Lacs) |
| 1. | Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses. | 30.00 |
| 2. | Printing & Stationery, Distribution, Postage, etc | 7.00 |
| 3. | Advertisement & Marketing Expenses | 10.00 |
| 4. | Regulatory & other expenses | 3.00 |
| Total | | 50.00 |

Schedule of Implementation:

The overall cost of the proposed Project and the proposed year wise break up of deployment of funds are as under:

(Rs. In Lacs)

| Particulars | Already Incurred | FY 2014 – 15 | FY 2015 – 16 | TOTAL |
|--|------------------|---------------|---------------|---------------|
| To part-finance incremental working capital requirements | - | 120.00 | 100.00 | 220.00 |
| General Corporate Expenses | - | 20.00 | 35.00 | 55.00 |
| Issue Expenses | 2.20 | 47.80 | - | 50.00 |
| TOTAL | 2.20 | 187.80 | 135.00 | 325.00 |

Details of funds already deployed till date and sources of funds deployed

The funds deployed up to 31st August, 2014 pursuant to the object of this Issue on the Project as certified by the Auditors of our Company, viz. M/s S.A. Jain & Associates, Chartered Accountants pursuant to their certificate dated 1st September, 2014 is given below:

(Rs. in Lacs)

| Deployment of Funds | Amount |
|------------------------|-------------|
| Project related | Nil |
| Issue Related Expenses | 2.20 |
| Total | 2.20 |

(Rs. in Lacs)

| Sources of Funds | Amount |
|-------------------|-------------|
| Internal Accruals | 2.20 |
| Bank Finance | Nil |
| Total | 2.20 |

Bridge Financing Facilities

We have currently not raised any bridge loans against the Proceeds of the Issue. However, depending on our requirement, we might consider raising bridge financing facilities, pending receipt of the Proceeds of the Issue.



Appraisal

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on 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

In case of any shortfall in the proceeds to meet the objects mentioned above, our management may explore a range of options, including utilizing internal accruals or seeking debt or additional equity. In case of surplus funds either due to lower utilization than what is stated above or surplus Net Proceeds after meeting all the above mentioned objects, such surplus shall be utilised towards general corporate purposes. Alternatively, if surplus funds are unavailable or in the event of cost overruns, we expect that a shortfall will be met by way of such means available to our Company including internal accruals and/or appropriate debt or equity arrangements.

Interim use of funds

Our management, in accordance with the policies established by our Board from time to time, will have flexibility in deploying the issue proceeds. Pending utilisation for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, inter-corporate deposits for the necessary duration or temporarily deploy the funds in working capital loan accounts and Government or Public Sector Undertaking securities. Such investments will be approved by the Board or its committee from time to time, in accordance with its investment policies.

Monitoring of Utilisation of Funds

Proposed size of the issue is Rs.325 Lacs i.e. less than Rs.50,000.00 Lacs. Therefore, in terms of Regulation 16(1) of the SEBI (ICDR) Regulations, appointment of a monitoring agency for the purposes of this Issue is not mandatory and hence no Monitoring Agency is being appointed for this Issue.

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

No part of the Net Proceeds will be paid by the Company as consideration to the Promoters, members of the Promoter Group, Directors or key management personnel of the Company.

**BASIS FOR ISSUE PRICE**

Investors should read the following basis with the “Risk Factors” beginning on page 9 and the details about the “Business of our Company” and its “Financial Statements” included in this Prospectus on page 64-92 respectively to get a more informed view before making any investment decisions.

QUALITATIVE FACTORS

Some of the qualitative factors which form the basis for computing the Issue Price are:

Experienced and Strong Management Team

The management of our company is well experienced in the textile industry as well as within their respective specialized segments. Our Promoter Mr. Vinay Kumar with several years of experience, plays the major role in the growth and development of our business. He guides our Company and is well assisted by our Key Managerial Persons who help us to build relations with our customers and have also facilitated us to entrench with new customers. Our management team possesses an in-depth understanding of the textile and fabric, and is therefore well-positioned to focus on the expansion and growth of our operations.

Established operations and proven track record.

We have established operations in textile and fabric trading operations and in the past we have been successfully served varied range of clientele.

Diversified Range of Products

We are a multi-product textile trading company with a diverse product portfolio, which includes fabrics for Silk, Polyester, Lace Fabrics, Netting Fabrics, Coarse Cotton Fabric, suiting, shirting, linen, jute and other fabrics.

QUANTITATIVE FACTORS

Information presented in this section is derived from our restated financial statements certified by the Statutory Auditors of the Company.

1. Basic Earnings Per Equity Share (EPS) (on Face value of Rs. 10 per share)

| Year | Earnings per Share (Rs.) | Weight |
|---|--------------------------|--------|
| FY 2011-12 | 8.14 | 1 |
| FY 2012-13 | 0.15 | 2 |
| FY 2013-14 | 0.09 | 3 |
| Weighted Average | 1.45 | |
| For Period Ended 30 th September, 2014 | 0.021 | |

- EPS Calculations have been done in accordance with Accounting Standard 20-“Earning per Share” issued by the Institute of Chartered Accountants of India.
- Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period. Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period 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 year.
- The weighted average number of Equity Shares outstanding during the period is adjusted for events of bonus issue.



- For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2. Price / Earnings Ratio (P/E) in relation to the Issue Price Rs. 10.00

- Based on fiscal year as on 31st March, 2014; at EPS of Rs. 0.09 as per Restated Financial Statements, the P/E ratio is 111.11.
- Based on weighted average EPS of Rs. 1.45 as per Restated Financial Statements, the P/E ratio is 6.89.
- Industry PE:

| Industry Textile Products | P/E |
|---------------------------|-------|
| Highest | 117.9 |
| Lowest | 1.5 |
| Industry Composite | 26.9 |

*Source: Capital Market Volume XXIX/12 dated Aug 04-Aug 17, 2014; Textiles-Products

3. Return on Net Worth

| Year | RONW (%) | Weight |
|---|--------------|--------|
| FY 2011-12 | 0.29% | 1 |
| FY 2012-13 | 0.32% | 2 |
| FY 2013-14 | 0.89% | 3 |
| Weighted Average | 0.60% | |
| For Period Ended 30 th September, 2014 | 0.18% | |

4. Minimum return on post Issue Net Worth to maintain the Pre-issue EPS at 31st March, 2014 is 1.20 %.

5. Net Asset Value per Equity Share

| Sr. No. | Particulars | (Rs.) |
|---------|--|-------|
| a) | As on 31 st March, 2014 | 9.97 |
| b) | As on 30 th September, 2014 | 10.01 |
| c) | After Issue | 10.01 |
| d) | Issue Price | 10.00 |

6. Peer Group Comparison of Accounting Ratios

We are currently engaged in the business of textile trading operations and the peer group comparison of accounting ratio is as below:

| Name of Company | Face Value (Rs.) | EPS (Rs.) | P/E Multiple | NAV (Rs.) | RONW (%) |
|-------------------------|------------------|-----------|--------------|-----------|----------|
| Amsons Apparels Limited | 10 | 0.09 | 111.11 | 9.97 | 0.89% |
| Peer Group- | | | | | |
| Nandam Denim Ltd. | 10 | 8.6 | 5.6 | 47.50 | 18.1 |
| Kitex Garments Ltd. | 10 | 11.9 | 20.6 | 36.7 | 38.7 |

* Source: Capital Market Volume XXIX/12 dated Aug 04-Aug 17, 2014; Textiles-Products



7. The face value of our shares is Rs.10/- per share and the Issue Price is of Rs. 10 per share is 1.00 (One) time i.e. at par of the face value.
8. The Company in consultation with the Lead Manager believes that the Issue Price of Rs. 10.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment proposition.



STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Amsons Apparels Limited
No. 116, First Floor, Hemkunt Chamber,
89, Nehru Place, Delhi - 110019

Dear Sirs,

Sub: Statement of possible tax benefits available to the Company and its shareholders on proposed Public Issue of Shares under the existing tax laws

We hereby confirm that the enclosed Annexure, prepared by **Amsons Apparels Limited** ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income-tax Act, 1961 ('IT Act') and the Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not fulfill.

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

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India.

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

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

The contents of the 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.

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 Amsons Apparels Limited 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.

Thanking you,
Yours faithfully,
For S A Jain & Associates
Chartered Accountants
Firm Registration No: 025238N
Sd/-
Anuj Jain
Partner
Membership No. 525676
Place: New Delhi
Date: 1st September, 2014



ANNEXURE

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS

A) SPECIAL TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS

I. Special Benefits available to Our Company

There are no special tax benefits available to the Company.

II. Special Benefits available to the Shareholders of Our Company

There are no special tax benefits available to the Equity Shareholders.

B) OTHER GENERAL TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS

The following tax benefits shall be available to the Company and its Shareholders under Direct tax law

Under the Income-Tax Act, 1961 (“the Act”):

I. Benefits available to the Company

1. Depreciation

As per the provisions of Section 32 of the Act, the Company is eligible to claim depreciation on tangible and specified intangible assets as explained in the said section and the relevant Income Tax rules there under.

2. Dividend Income

Dividend income, if any, received by the Company from its investment in shares of another domestic Company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961.

3. Income from Mutual Funds / Units

As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:

Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or

Income received in respect of units from the Administrator of the specified undertaking; or

Income received in respect of units from the specified company.

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

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

4. Income from Long Term Capital Gain

As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company.

For this purpose, “Equity Oriented Fund” means a fund –

(i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and



(ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

As per section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating “book profits” under the provisions of section 115JB of the Act and will be required to pay Minimum Alternative Tax as follows-

| Book Profit | A.Y.-2013-14 | A.Y.-2014-15 |
|---|---------------------|---------------------|
| If book profit is less than or equal to Rs. 1 Crore | 19.055% | 19.055% |
| If book profit is more than Rs. 1 Crore but less than Rs. 10 Crores | 20.01% | 20.01% |
| If book profit is more than Rs. 10 Crores | 20.96% | 20.96% |

5. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

6. As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).

7. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

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

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purposes of this section.

8. As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge plus education cess plus secondary and higher education cess)

9. Preliminary Expenses

Under Section 35D of the Act, the company will be entitled to the deduction equal to 1/5th of the Preliminary expenditure of the nature specified in the said section, including expenditure incurred on present issue, such as Brokerage and other charges by way of amortization over a period of 5 successive years, subject to stipulated limits.

10. Credit for Minimum Alternate Taxes (“MAT”)



Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond 10 years immediately succeeding the year in which the MAT credit initially arose.

II. Benefits to the Resident Shareholders of the Company under the Income-Tax Act, 1961:

1. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.

2. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

3. Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.

4. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

5. As per section 112 of the Act, if the shares of the company are listed on a recognized stock exchange, taxable long-term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge plus education cess plus secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) without indexation benefits, whichever is less.

6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long-term specified asset" within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

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

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purposes of this section.

7. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the company will be exempt from capital gains tax



subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

8. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

9. As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head —Profits and Gains of Business or Profession if income arising from taxable securities transaction is included in such income.

III. Non-Resident Indians/Non-Resident Shareholders (Other than FII's and Foreign Venture Capital Investors)

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.

2. As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.

3. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long-term specified asset" within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

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

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.

5. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax



subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

6. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

7. Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows:

(i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessional tax at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).

(ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

(iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

(iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

(v) As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.

8. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

IV. Foreign Institutional Investors (FIIs)

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.



2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.

3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of income & Rate of tax (%)

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

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

4. In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long-term specified asset" within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

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6. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

7. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII's could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.



V. Venture Capital Companies/Funds

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

VI. Mutual Funds

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

Under the Wealth Tax Act, 1957

Benefits to shareholders of the Company

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2 (ea) of Wealth Tax Act, 1957. Hence the shares are not liable to Wealth Tax.

Tax Treaty Benefits

An investor has an option to be governed by the provisions of the Income Tax Act, 1967 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

Notes:

- The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
- The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India as amended from time to time. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;
- This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;
- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
- The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.



SECTION IV

ABOUT OUR COMPANY

INDUSTRY OVERVIEW

(The information in this chapter has been extracted from publicly available documents prepared by various sources etc. This data has not been prepared or independently verified by us or the Lead Manager or any of their or our respective affiliates or advisors. 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” on page 9 of this Prospectus. Accordingly, investment decisions should not be based on such information)

Overview of the Indian Economy

The Indian economy is ranked fourth in the world, on a purchasing power parity basis, after the United States, China and Japan (Source: <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>). For the fiscal year 2014, the forecast for real GDP growth rate in India is estimated at 5.1% to 5.5% by the National Council of Applied Economic Research (“NCAER”) in their ‘Quarterly Review of the Economy’ on April 30, 2014. (Source: NCAER’s Quarterly Review of the Indian Economy 2013-14 and Forecast for 2014-15).

According to the Technopak Report, 2014, for almost two decades textile and apparel industry has been a major contributor to India’s GDP and provides employment to over 35 million people (Source: CII). India’s GDP in the year 2013 was estimated to be US\$ 1.823 trillion and 5.2% of this came from the textile and apparel industry. The industry has also been crucial as far as industrial production and earning of foreign exchange through exports is concerned. Availability of abundant raw material such as cotton, silk, wool and jute and India’s competitiveness in skilled labour have provided unique advantages to its textile and apparel industry. Textile and apparel domestic market has been bigger than export market and had reached US\$ 59 billion in the fiscal year 2013 while export market is of US\$ 36 billion. The apparel retail sector in India is highly fragmented and only 19% of sales in India is estimated to be from the organised sector. These numbers are in contrast with that of the United States and Europe where over 80% of the apparel sales are from organized fashion retailers. Textile and Apparel Industry Post the expiration of the Multi Fibre Agreement on January 1, 2005, the textile and apparel industry has witnessed a clear distinction between countries as production and consumption hubs. Developed countries like the USA, countries of the European Union and Japan have emerged as consuming countries while developing countries like India, China and Bangladesh are producing countries. Cheap labour is one of the most important factors driving the developing countries to gain production advantage. According to the Technopak Report, 2014, the expected slower annual GDP growth (CAGR 2013 to 2018 is 2.4%) in the advanced economies is directly impacting the consumption of textile and apparel, hence reducing its demand. On the other hand, the expected higher annual GDP growth (CAGR 2013 to 2018 is 5.4%) of the developing countries has led to an increase in purchasing power of consumers, favouring the growth in textile and apparel consumption in these countries. India is one of the largest exporters of textiles and apparel. India also has vertically integrated supply chain and is known for producing wide range of textiles and apparel products. In India’s exports of textiles and apparel, 60% contribution comes from apparel, and 40% from textiles. (Source: Technopak Report, 2014)

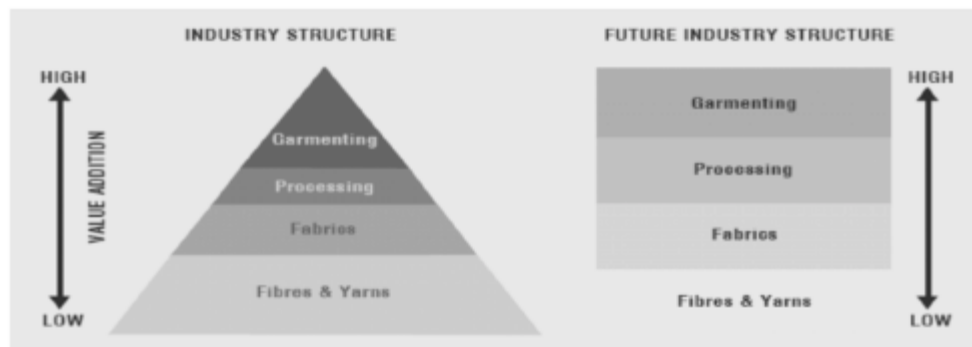
Textile and Apparel Industry

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Current Industry Structure and Future Industry Structure



The current textile industry structure in India is with maximum players in the Fibres and Yarns and very few players in the Garmenting and retailing sector. But now Indian players have realized the need to be a vertically integrated player and more and more companies are moving up the value chain both organically as well as through consolidations.

The major sub-sectors that comprise the textiles sector include the organized Cotton / Man-Made Fibre Textiles Mill Industry, the Man-made Fibre / Filament Yarn Industry, the Wool and Woollen Textiles Industry, the Sericulture and Silk Textiles Industry, Handlooms, Handicrafts, the Jute and Jute Textiles Industry, and Textiles Exports.

Market Size of Textile Industry in India

The size of India's Textile market in 2011 was US\$89 billion, the market expected to expand at a compounded annual growth rate (CAGR) of 10.1% over 2009-2021.



The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. Abundant availability of raw materials such as cotton, wool, silk and jute and skilled workforce has made India a sourcing hub.

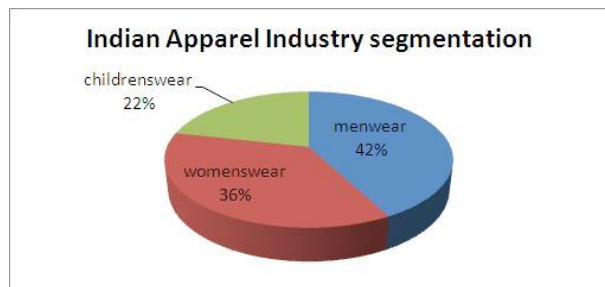
The most significant change in the Indian textile industry has been the advent of man-made fibres (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. MMF production increased by 6 per cent during December 2013. The production increased by about 4 per cent during the year April-December 2013.

Cotton yarn production increased by 6 per cent during December 2013 and by 10 per cent during April-December 2013. Blended and 100 per cent non-cotton yarn production increased by 5 per cent during December 2013 and increased by 8 per cent during the year April-December 2013. Cloth production by mill sector increased by 4 per cent during December 2013 and by 6 per cent during April-December 2013. Cloth production by handloom, and hosiery increased by 3 per cent and 11 per cent respectively during December 2013. Production by handloom, and hosiery sectors increased by 4 per cent and 13 per cent during April-December 2013. The total cloth production grew by 2 per cent during April-December 2013. The potential size of the Indian textile and apparel industry is expected to reach US\$ 221 billion by 2021. Garment exports from India is expected to touch US\$ 60 billion over the next 3 years, with the help of government support.



(Source: www.ibef.org)

The Indian Apparel Market



The Indian apparel market has demonstrated resilience and growth in an environment characterized by slow economic growth. The domestic apparel market, which was worth INR 207,400 crore (~USD 38 billion) as of 2012, is expected to grow at a compound average growth rate (CAGR) of 9% over the next decade. Further, the recent omission of excise duty on branded apparel has provided an impetus to retailers in terms of the overall market sentiment.

The Menswear Market

With a market size of INR 87,500 crore (USD 16 billion) in 2012, menswear is the largest segment in India's apparel market, accounting for 42% of the overall market. In comparison, womenswear makes up 38%, while kidswear comprises 20%, of the market.

Market Size and Growth Projections

The menswear market can be divided into various categories including woven shirts, trousers, denims, winterwear, innerwear, T-shirts, suits, activewear, ethnic wear and dailywear. The woven shirts category is the single largest within the menswear market, followed by trousers and denim. The menswear market is expected to grow at a CAGR of 8.5% over the next five years to reach INR 131,000 crore (USD 24 billion) by 2017.

Market Trends

Menswear consumers are in a phase of transition; they no longer want to stick to wearing apparel of defined styles and silhouette but also want to experiment with the look of the clothing. The demand for occasion-specific clothing is rising within the menswear segment, e.g., the modern Indian male can be seen in active wear at the gym in the morning; in formal shirts, trousers, and suits during office hours; in smart casuals in the evening; and in dailywear/sleepwear at night. The demand for ethnic dressing at special occasions like marriages and social functions is also a distinct trend. Many brands have specifically forayed into men's ethnicwear to cater to this demand.

The menswear segment is also witnessing an increase in the demand for colored bottomwear. In addition to the traditional colors, viz. black, blue, brown and grey, Indian men have started experimenting with newer colours like red, green, orange, etc. Almost all domestic and international brands have started offering men's bottomwear in newer colors; they are also optimistic about the growth of colored trousers and denim.

Another interesting trend in the menswear market is the steady growth in the premium tailoring segment comprising the fashion designers and the bespoke / luxury segment. Customers in the super premium segment are willing to pay a premium to ensure that their tailor-made clothing reflects their own personality and also helps them differentiate themselves and get noticed.

The Womenswear Market



The INR 78, 500 crore (USD 14.4 billion) worth womenswear market contributes 38% of the total apparel market of India. The growth of this market is more rapid than the menswear market. With the relatively lower penetration of brands, and the growing disposable income of modern women, this segment has become the focus of many Indian and international brands.

Market Size and Growth Projections

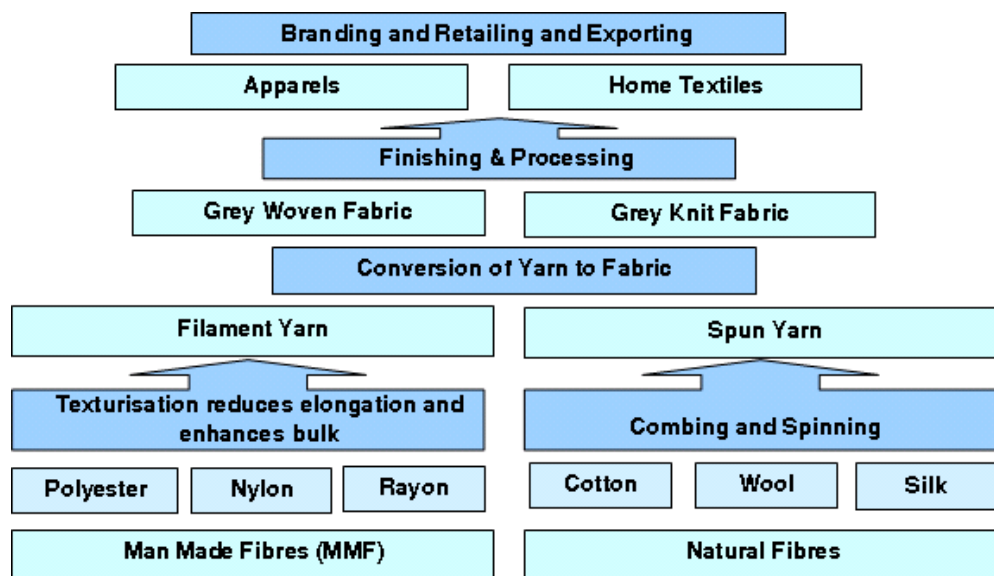
The womenswear segment comprises various categories that include sarees, salwar kameez, innerwear, blouse, winterwear, sleepwear, tops/shirts, trousers, skirts, denim, T-shirts, etc. Indian ethnicwear, which includes saree, salwar kameez, and blouse, is the biggest category within the segment with a 75% share of the entire womenswear market. The market is expected to grow at a CAGR of 9% for the next five years to reach a figure of INR 121, 400 crore (USD 22.3 billion) by 2017.

Market Trends

With increasing women in the workforce, and the growing economic independence of women, the demand for women’s westernwear is at an all-time high, thanks to which women’s westernwear is emerging a clear winner in the womenswear market. This trend is expected to continue as more women enter into the workforce or aspire to follow the lifestyle of working women. Within working women, there is a clear trend indicating the growing acceptance of women’s dresses and western formalwear. The working women in the metros and mini metros, in addition to traditional sarees and salmar kameez, are moving towards dresses, formal suits, and business attire. Though these markets may remain relatively small, they are expected to grow rapidly.

Value Addition Norms

Some of the large Indian players have been conferred quality certifications by global retailers for their quality and manufacturing standards. These certifications and quality recognitions have helped Indian companies drive improved price realizations vis-à-vis regional peers. The players catering to the mass merchandisers are expected to face higher competition, as the number of players catering to this segment is higher creating higher price competition. Hence, garmenting and integrated units, catering to specialty stores and brands are expected to have a better pricing flexibility.



- Fibre to Spun Yarn: 75%
- Yarn to Grey: 40%
- Grey Fabric to processed fabric for apparel consumption: 80%
- Grey Fabric to non apparel textile items: 100%
- Processed fabric to apparel: 110%



Retail value addition for Apparel: 100%

Growth Drivers

Domestic Growth Drivers

- Growth in GDP Rate
- Increase in Working Population
- Increase in Young Population
- Greater Disposable Income
- Usage of newer Credit facilities
- Growth in Organized Retail
- Change in Lifestyle
- Increase in Hotels and Tourism
- Hospitals and other Healthcare Product• Auto Textiles
- Sports Shoes and Shoe Industry
- Packaging Items

Global Factors

- Need for Vertically Integrated Players
- Quota Regime on China
- Rising Outsourcing Budgets of Textile Players
- Increase in Specialty Stores
- Rising Inflation and Uncompetitive manufacturing in the Developed world
- Indian Companies have design studios abroad
- Dismantling of spinning and weaving capacities in USA, Europe and Japan
- Better Corporate Governance of Indian Corporates
- Chances of Removal of Subsidies on Cotton Production in USA

Government Initiatives

India is expected to become a significant player in the global textile economy, both as a consumer and as a producer of textiles. The efforts of the government have resulted in the industry growth rate of 8–9 per cent during the past 2–3 years.

The Ministry of Textiles is responsible for policy formulation, planning, development, export promotion and trade regulation in respect of the textile sector. This includes all natural and man made cellulosic fibres that go into the making of textiles, clothing and handicrafts.

Some of initiatives taken by the government to further promote the industry are as under:

- The Government of India plans to set up a Rs 100 crore (US\$ 15.79 million) venture capital fund to provide equity support to start-ups in the textile sector, in order to encourage innovative ideas
- The Government has allowed 100 per cent FDI in the sector through the automatic route. In the 12th Five Year Plan (2012–17), the government plans to spend US\$ 9.1 billion on textiles as against US\$ 4 billion in the 11th Plan.
- In order to make textile processing units more environment-friendly and globally competitive, the Cabinet Committee on Economic Affairs (CCEA) has approved an Integrated Processing Development Scheme (IPDS) with an investment of Rs 500 crore (US\$ 78.94 million)
- Under the Technology Upgradation Fund Scheme (TUFS), the cotton textile industry of India will receive margin money from the Ministry of Finance. The industry is also expected to attract Rs 4,000 crore (US\$ 631.65 million) in the form of investments over the next six months
- The Government of India has allotted Rs 700 crore (US\$ 110.53 million) in the next Five Year Plan for the development of technical textiles. In 2012–13, the technical textiles industry reached Rs 7.48 trillion (US\$ 118.19 billion) at an annual growth rate of 3.5 per cent



- In the new textile policy, the Government of Gujarat has announced 5 per cent interest subsidy on bank loans for five years, for those who establish new plants for value addition chain like ginning, processing, weaving, knitting, and machine carpeting
(Source: <http://www.ibef.org/industry/textiles.aspx>)

Textile Up gradation Fund Scheme

The Technology Up gradation Fund Scheme (TUFS) was launched on April 1, 1999, for a period of five years, and was subsequently extended up to March 31, 2007. The Scheme provides for interest reimbursement/capital subsidy/Margin Money subsidy and has been devised to bridge the gap between the cost of interest and the capital component to ease up the working capital requirement and to reduce the transaction cost, etc. The Scheme is an important tool to infuse financial support to the textiles industry and help it capitalize on the vibrant and expanding global and domestic markets, through technology upgradation, cost effectiveness, quality production, efficiency and global competitiveness.

(Source: *Annual Report 2012 – 2013, Ministry of Textiles, GOI*)

The 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. The organised apparel segment is expected to grow at a compound annual growth rate (CAGR) of more than 13 per cent over a 10-year period. **Source:** <http://www.ibef.org/industry/textiles.aspx>



OUR BUSINESS

In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Amsons Apparels Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page 9 and "Industry Overview" on page 58.

We have been originally incorporated at New Delhi as "Amsons Apparels Private Limited" on 16th September, 2003 under the provisions of the Companies Act, 1956. Our Company was converted in to a Public Limited Company and consequently the name was changed to "Amsons Apparels Limited" vide fresh certificate of incorporation dated 14th November, 2013 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana.

We are currently engaged in the business of trading of fabrics. We are a multi-product fabric trading Company and our range includes fabrics for Silk, Polyester, Lace Fabrics, Netting Fabrics, Coarse Cotton Fabric, suiting, shirting, linen, jute and other fabrics. We primarily cater to retailers in Delhi and NCR Regions, wherein we supply mid range of unstitched fabrics.

In fiscal 2014, fiscal 2013 and fiscal 2012, we generated total revenue of Rs. 321 Lacs, Rs. 209.69 Lacs and Rs. 146.26 Lacs, respectively, and net profit after tax of Rs. 4.26 Lacs, Rs. 1.54 Lacs and Rs. 0.88 Lacs, respectively. We have been able to increase our total revenue from fiscal 2012 to fiscal 2014 at a compound growth of 119.47% and our profit after tax has increased at a compound growth of 384.09% over the same period.

Our business process can be summarized as under:-

Identification of current market trend: Our team headed by our management keeps a close eye on the customer preference and change in the fashion and taste of wide range of customer in textile industry

Sourcing the material: Based on feedback of our team, we explore the various options for sourcing the products. For identifying the vendors, we assess the various possible options on factors such as capacity, credibility in the market, quality awareness and experience. After identifying the vendors for the goods, we place purchase orders.

Tapping the retailers: Simultaneously with the sourcing of material, our marketing team constantly keeps in touch with retailers and showcase its samples and collects purchase orders and build delivery schedule and process to our inventory scheduling team.

We are currently serving the corporate and other clients from various spheres of textile industry. Our customers during FY 2014 include Surana Enterprises, Shivam Sales Corporation, Bhagwati Traders, B K Trading Co., Vaibhav International, Paras Enterprises, GT Trading Co., Aggarwal Traders amongst others.

COMPETITIVE STRENGTHS:

We derive our strengths from following factors:

Established operations and proven track record.

We have established operations in textile and fabric trading operations and in the past we have been successfully served varied range of clientele.

Experienced and Strong Management Team

The management of our company is well experienced in the textile industry as well as within their respective specialized segments. Our Promoter Mr. Vinay Kumar with several years of experience, plays the major role in the growth and development of our business. He guides our Company and is well assisted by our Key Managerial Persons who help us to build relations with our customers and have also facilitated us to entrench with new customers. Our management team possesses an in-depth understanding of the textile and fabric, and is therefore well -positioned to focus on the expansion and growth of our operations.



Diversified Products Range

We have a comprehensive portfolio of product offerings covering Silk, Polyester, Lace Fabrics, Netting Fabrics, Coarse Cotton Fabric, suiting, shirting, linen, jute and other fabrics. We believe our comprehensive range of products in the textile industry enables ourselves to capitalize on such growth opportunities in the textile industry.

OUR STRATEGIES:

Increase geographical presence

We are currently located in Delhi and NCR region. Going forward we plan to establish our presence in the other regions. Our emphasis is on expanding the scale of our operations as well as growing our supply chain network, which we believe will provide attractive opportunities to grow our client base and revenues.

Focus on Increase in Volume of Sales

As part of our growth strategy we intend to focus on increase in volume of sales. As a trading company we want to focus on larger volume of sales and further addition of new products in our portfolio to achieve our targeted sales.

Continue to develop client relationships

We plan to grow our business primarily by growing the number of client relationships, as we believe that increased client relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients. Our Company believes that business is a by-product of relationship. Our Company believes that a long-term client relationship with large clients reap fruitful returns. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

OUR PRODUCTS:

We have a comprehensive portfolio of product offerings covering Silk, Polyester, Lace Fabrics, Netting Fabrics, Coarse Cotton Fabric, suiting, shirting, linen, jute and other fabrics. We believe our comprehensive range of products in the textile industry enables ourselves to capitalize on such growth opportunities in the textile industry.

PLANT AND MACHINERY

Since we are a trading company, we do not own any major plant and machinery.

COLLABORATIONS

We have not entered into any technical or other collaboration.

INFRASTRUCTURE FACILITIES

Manpower

Our Company is committed towards creating an organization that nurtures talent. We provide our employees an open atmosphere with a continuous learning platform that recognizes meritorious performance.

The following is a break-up of our employees as on the date of the Prospectus:

| Sr. no | Category | No. of employees |
|--------|------------------------------------|------------------|
| 1. | Whole-time Director | 1 |
| 2. | Accounts, Administration & Finance | 2 |
| 3. | Marketing Department | 2 |



| Sr. no | Category | No. of employees |
|--------|---------------------|------------------|
| 4. | Company Secretary | 1 |
| 5. | Other Support Staff | 4 |
| | TOTAL | 10 |

Logistics

We facilitate door-to-door delivery service to our customers through third party transport service providers. We outsource our transportation to transportation agencies.

Water

Water is required only for drinking and sanitary purposes and adequate water sources are available. The requirements are fully met at the existing premises.

Power

The company does not require much power except the normal requirement of the offices of the company and for lighting, systems etc. Adequate power is available.

Competition

We face the competition in our business from other existing traders and manufacturers of fabrics. We compete with our competitors on a regional or product line basis. Many of our competitors have substantially large capital base and resources than we do and offer broader range products. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the services and products. We propose to create awareness of our produce by conducting and participating exhibitions, fairs, conference etc.

Marketing Arrangement

Our Company is primarily focused, predominately in Delhi and adjacent territories. The marketing strategy of the company is the combination of direct marketing, using the distribution network and sales force. Conversation with retailers on an individual basis, educating them and campaigning for the company's products all the year round is part of the strategy. We support our marketing efforts with the activities at the grass root level through field work by maintaining regular contacts and meetings. We also participate regularly in exhibition and fairs being conducted at various levels.

Quality assurance

We understand that the brand can be build from the quality and trends of our products which we supply. In order to increase our brand and maintain the quality of our products, we follow a stringent quality control mechanism for all our products. Each of the products undergoes a rigorous checking process. At each stage of manufacturing of the products, the products are checked by the operators to ensure there is no defect from the manufacturer defect. The quality checking staff are independent of the sourcing department. For the outsourced products, we provide detailed and specific instructions and designs to the job work entities. At the delivery, the products are made to undergo a random sample check procedure.

Inventory management

We believe that maintaining appropriate levels of inventory is critical to our overall profitability. Our products in inventory include finished products sourced by us. In order to minimize the risk of building up aged inventories, it is our policy to regularly review the obsolescence of inventories based on their age.



Future Prospects

The future plans of our Company are in line with the way the industry is thinking and planning ahead. Our Company is trying to increase the geographical areas of operations to cater to the growing market.

Capacity and Capacity Utilization

Our Company is engaged in the trading business and hence capacity and capacity utilisation is not applicable to ourselves.

Export Possibilities & Export Obligation

Currently, we do not have any outstanding export obligations.

SWOT

Strengths

- Diversified Product Portfolio
- Experienced Management Team
- Cordial relations with customers

Weakness

- Higher Taxes and interest rate.
- Rapid changes in fashion and textile industry
- Working capital intensive

Opportunities

- Large Potential.
- Emerging retail industry and Malls provide huge opportunities for apparel and other segments.

Threats

- Competition from other developing countries especially from China
- Rising prices of materials
- Formation of cartels
- Any change or shift of focus of Government policies may adversely impact our financials

Intellectual Property

Presently, we do not own any patent or trademark. We have applied for registration of our corporate logo under Class 1 with the Registrar of Trademarks.

Our Properties

Our Registered Office is located at No. 116, First Floor, Hemkunt Chamber, 89, Nehru Place, New Delhi – 110 019. The details are as under:

| Sr. No. | Location | Title (Leased /Owned/ Rental) | Agreement Valid from | Agreement Valid till | Rent / Acquisition Cost |
|---------|---|-------------------------------|----------------------|----------------------|-------------------------|
| 1. | No. 116, First Floor, Hemkunt Chamber, 89, Nehru Place, New Delhi – 110 019 (Registered Office) | Rental | 22.07.2014 | 21.06.2015 | Rs. 29000/- Per Month |



Note 1: Interest in Property by our Promoters and Promoter Group

Our Promoters and Promoter Group do not have any interest in property leased or acquired by ourselves.

Note 2: Purchase of Property

We have not entered into any agreement to buy/sell any property with the promoters or Director or a proposed director who had any interest direct or indirect during the preceding two years.

Insurance Policies

We have not obtained any insurance policy.



KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, and the respective bye laws framed by the local bodies in New Delhi, and others incorporated under the laws of India.

The information detailed in this chapter has been obtained from the various legislations and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice.

The Companies Act, 1956

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

The Companies Act, 2013 (to the extent notified)

The Companies Act, 2013 has been published on August 29, 2013. Section 1 of the said Act was notified on August 30, 2013, while 98 more sections were notified as on September 12, 2013, section 135 and rules thereunder on 27/02/2014. The Ministry of Company Affairs has further notified 183 sections of the Act and Rules thereunder to be made effective from 01.04.2014.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

The Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 regulates employment of contract labour and, in certain cases, provides for the abolition of contract labour. Any employer who engages 20 or more contract workers in any year is covered by the Contract Labour (Regulation and Abolition) Act 1970 and is required to register as a principal employer. Similarly any contractor who engages 20 employees in a year covered by the Contract Labour (Regulation and Abolition) Act 1970 is required to obtain a license. The Contract Labour (Regulation and Abolition) Act 1970 prescribes certain welfare measures that principal employers are required to provide for the contract workers. The principal employer is also liable for the payment of wages to contract workers in case the contractor makes any default in respect of the same.

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.



Value Added Tax (“VAT”)

The levy of Sales Tax within the state is governed by the Value Added Tax Act and Rules 2008 (“the VAT Act”) of the respective states. The VAT Act has addressed the problem of Cascading effect (double taxation) that were being levied under the hitherto system of sales tax. Under the current regime of VAT the trader of goods has to pay the tax (VAT) only on the Value added on the goods sold. Hence VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax- that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. Periodical returns are required to be filed with the VAT Department of the respective States by the Company.

Central Sales Tax Act, 1956

In accordance with the Central Sales Tax Act, every dealer registered under the Act shall be required to furnish a return in Form I (Monthly/ Quarterly/ Annually) as required by the State sale Tax laws of the assessee authority together with treasury challan or bank receipt in token of the payment of taxes due.

National Textile Policy

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

Textile Committee Act 1963

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

Trade Marks Act, 1999 (Trade Marks Act)

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The registration of a trademark is valid for a period of 10 years and can be renewed in accordance with the specified procedure. Application for trademark registry has to be made to controller-general of patents, designs and trade - marks who is the registrar of trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.



Regulation of Foreign Investment in India

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") which prohibit, restrict and regulate, transfer or issue of securities, to a person resident outside India. Pursuant to the FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the "automatic route" within the specified sectoral caps prescribed for various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectoral limits under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. Further, FIIs may purchase shares and convertible debentures of an Indian company under the portfolio investment scheme through registered brokers on recognized stock exchanges in India. Regulation 1 (4) of Schedule II of the FEMA Regulations provides that the total holding by each FII or SEBI approved sub-account of an FII shall not exceed 10% of the total paid-up equity capital of an Indian company or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs and sub accounts of FIIs added together shall not exceed 24% of the paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24% may be increased up to the statutory ceiling as applicable, by the Indian company concerned passing a resolution by its board of directors followed by the passing of a special resolution to the same effect by its shareholders.

Technology Upgradation Fund Scheme (TUFS)

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

The Indian Contract Act, 1872

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

The Indian Stamp Act, 1899

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.



OUR HISTORY AND CORPORATE STRUCTURE

HISTORY & BACKGROUND

Our Company was originally incorporated at New Delhi as “Amsons Apparels Private Limited” on 16th September, 2003 under the provisions of the Companies Act, 1956. Our Company was converted in to a Public Limited Company and consequently the name was changed to “Amsons Apparels Limited ” vide fresh certificate of incorporation dated 14th November, 2013 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana.

We are currently engaged in the business of trading of fabrics. We are a multi-product fabric trading Company and our range includes fabrics for Silk, Polyester, Lace Fabrics, Netting Fabrics, Coarse Cotton Fabric, suiting, shirting, linen, jute and other fabrics.

The Registered Office and Corporate office of our Company is situated at No. 116, First Floor, Hemkunt Chamber, 89, Nehru Place, New Delhi – 110 019.

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 for which our Company is established are:

1. To carry on in India or elsewhere the business as manufacturer, processors, importers, exports, agents, brokers, retailers, distributors, exchangers, traders, buyers, sellers, job workers, stockiest and market, promote, organize, design, develop, cut sort & grade or otherwise to deal in all shapes, sizes, varieties, specifications, descriptions, applications, modalities fashions and uses of garments of man, women, infant & children including sportswear, active wears, daily wears, fashion wears, party wears, wearing apparels, underwear, purses, lingerie, mercerize cotton, belts, wallets and other allied goods made from cotton, silk, synthetic, jute, velvet, woolen, leather, raxin or with any combination thereof and to participate in local; national and international trade fairs, sales exhibitions, seminars and fashions shows or another sales promotion scheme.
2. To carry on the the business of manufacturing, trading, buying, selling, dealing, producing, introducing, importing, exporting, wholesaling, retailing in textile yarn labries & other textile goods.
3. To carry on the business of manufacturers, Importers, exporters, designers, distributors, suppliers, wholesale and retail dealers of all kinds of embroidery labrios, embroidery material, embroidery laces, bed lines, fashionable cushion materials table mats and furnishing fabrics, readymade garments, wearing apparels, fashion garments, and other International and domestic traded goods and fashionable accessories.

CHANGES IN THE MEMORANDUM OF ASSOCIATION

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

| DATE | AMENDMENT |
|---------------------------------|--|
| 27 th March, 2012 | Increase in Authorized Share Capital of the Company from Rs. 1.00 Lacs divided into 10,000 Equity Shares of Rs. 10 each to Rs. 3.00 Crores divided into 30,00,000 Equity shares of Rs. 10 each. |
| 30 th April, 2012 | Increase in Authorized Share Capital of the Company from Rs. 3.00 Crores divided into 30,00,000 Equity Shares of Rs. 10 each to Rs. 5.00 Crore divided into 50,00,000 Equity shares of Rs. 10 each. |
| 25 th November, 2013 | Increase in Authorized Share Capital of the Company from Rs. 5.00 Crores divided into 50,00,000 Equity Shares of Rs. 10 each to Rs. 15.00 Crore divided into 1,50,00,000 Equity shares of Rs. 10 each. |



MAJOR EVENTS AND MILESTONES

| YEAR | PARTICULARS |
|-----------------|--|
| September, 2003 | Incorporation of the Company in the name and style of "Amsons Apparels Private Limited" |
| March, 2012 | Completed first full year of operations |
| October, 2013 | The Company was converted in to a Public Limited Company and consequently the name was changed to "Amsons Apparels Limited " |

HOLDING COMPANY OF OUR COMPANY

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

SUBSIDIARY OF OUR COMPANY

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

SHAREHOLDERS AGREEMENTS

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

COLLABORATION

Our Company has not entered into any collaboration with any third party as per regulation (VIII) B (1) (c) of part A Schedule VIII of SEBI (ICDR) Regulations, 2009.

STRATEGIC PARTNER

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

FINANCIAL PARTNER

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

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

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

NUMBER OF SHAREHOLDERS

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



OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than twelve (12) Directors. Our Company currently has Four (4) Directors on Board. The following table sets forth current details regarding our Board of Directors:

| Name, Father's name, Address, Occupation, Nationality, tenure & DIN | Age | Status of Directorship in our Company | Other Directorships |
|--|-----------|---|-------------------------------|
| 1. Mr. Vinay Kumar S/o Mr. Ramesh Chand D-50, Block –D, Ali Vihar, New Delhi -110 076 Occupation: Business Nationality: Indian Tenure: Five years w. e. f. 15 th March, 2014 DIN: 06617479 | 30 Yrs | Whole Time Director | Mallya Real Estates Pvt. Ltd. |
| 2. Mr. Vishal Yadav S/o Mr. Mahesh Yadav 209, Guru Ram Dass Nagar, Laxmi Nagar, Delhi – 110 092 Occupation: Service Nationality: Indian Tenure: Retire by Rotation DIN: 06575088 | 31 Yrs | Non-executive Non Independent Director | N.A. |
| 3. Mr. Amit Kumar Gupta S/o Mr. Rameshwar 333, Gali No. 5, A-Block, Prem Vihar, New Delhi – 110 052 Occupation: Service Nationality: Indian Tenure: Retire by Rotation DIN: 06929401 | 39 Yrs | Non-Executive & Independent Director | N.A. |
| 4. Ms. Radhika Thapliyal D/o Mr. Satya Prakash Thapliyal H.No. 1, Mitralok Colony, Akashadeep Colony, Cantt. Dehradun Uttarakhand - 248 001 Occupation: Service Nationality: Indian Tenure: Retire by Rotation DIN: 06929395 | 31 Yrs | Non-Executive & Independent Director | N.A. |

Note:

As on the date of the Prospectus:

- None of the above mentioned Directors are on the RBI List of willful defaulters as on date.
- Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing the Prospectus or (b) delisted from the stock exchanges.



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.

DETAILS OF DIRECTORS

Mr. Vinay Kumar: aged 30 years, is Promoter & Whole Time Director of our Company. He has completed his graduation in commerce and 7.5 years of experience in leadership positions in the business administration. He has been on the board of Company since, September 2013. He is responsible for overall planning & management of our Company. He assesses the principal risks of the Company and ensures that these risks are being monitored and managed. He Control the all business growth & development related activities of the Company.

Mr. Vishal Yadav: aged 31 years, is Non-Executive Director of our Company. He is Bachelor in Business Administration. He possess more than 8 years of experience in the field of research, development & marketing sector. He is responsible for the successful creation and delivery of the company's product to the Market by managing technical risks and opportunities. The Board has the advantage of his wide experience in the Market field. He has been on the board of Company since March, 2012.

Mr. Amit Kumar Gupta: aged 39 years is an Independent Director of our Company. He has completed his graduation in Commerce. He has 15 years of experience in and finance. He has been on the board of Company since March, 2014. As an Independent Director of our Company with corporate finance expertise & experience, he brings value addition to our Company.

Ms. Radhika Thapliyal: aged 31 years, is an Independent Director of our Company. She has done graduation in business analysis. More than 9 years of experience in the field of Business analysis & strategic Management. She has been Board of Directors of Our Company since, March, 2014.

CONFIRMATIONS

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of the 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 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

There is no family relationship among Directors.

BORROWING POWERS OF THE DIRECTORS

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on 7th July, 2014 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180(1)(c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 25 Crores.

**TERMS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS**

| | |
|--|--|
| Name | Mr. Vinay Kumar |
| Designation | Whole Time Director |
| Period | Appointed for Five years with effect from 15 th March, 2014 |
| Date of Appointment | Board Meeting dated 15 th March, 2014 |
| Remuneration | <p>a) Remuneration Up to Rs. 20,000/- p.m. (Rupees Twenty Thousand Only) with such annual increments / increases as may be decided by the Nomination and Remuneration Committee from time to time.</p> <p>b) Perquisites</p> <ul style="list-style-type: none"> • Free use of the Company's car for Company's work along with driver. • Telephone, telefax and other communication facilities at Company's cost for Official purpose. • Subject to any statutory ceiling/s, the appointee may be given any other allowances, perquisites, benefits and facilities as the Remuneration Committee / Board of Directors from time to time may decide. <p>c) Valuation of perquisites Perquisites/allowances shall be valued as per the Income Tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.</p> <p>d) Minimum Remuneration In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment. Appointee shall subject to the approval of the Central Government, if required, be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in of the Schedule XIII to the Companies Act, 1956, from time to time.</p> |
| Remuneration paid in FY 31st March, 2014 | NIL |

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 sitting fees

CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchange and the SEBI 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.



We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our Board has Four (4) Directors. We have one (1) executive non-independent director, one (1) non-executive non-independent director and two (2) independent non-executive directors. The Chairman of the Board is Mr. Vinay Kumar being Whole Time Director. The constitution of our Board is in compliance with the requirements of Clause 52 of the Listing Agreement.

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

- A) Audit Committee
- B) Stakeholders relationship Committee
- C) Nomination and Remuneration Committee

AUDIT COMMITTEE

Our Company has constituted an audit committee ("**Audit Committee**"), as per the provisions of Section 177 of the Companies Act, 2013 and Clause 52 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on 31st March, 2014.

The terms of reference of Audit Committee complies with the requirements of Clause 52 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises following three (3) directors. Mr. Amit Kumar Gupta is the Chairman of the Audit Committee.

| Sr. No. | Name of the Director | Status | Nature of Directorship |
|---------|-----------------------|----------|--|
| 1. | Mr. Amit Kumar Gupta | Chairman | Independent Director |
| 2. | Ms. Radhika Thapliyal | Member | Independent Director |
| 3. | Mr. Vishal Yadav | Member | Non Executive & Non Independent Director |

Role of Audit Committee

The terms of reference of the Audit Committee are given below:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section (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. Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
10. 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.
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
12. 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.
13. Discussion with internal auditors any significant findings and follow up there on.
14. 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.
15. 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.
16. 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.
17. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
20. Mandatorily reviews the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
21. Review the Financial Statements of its subsidiary company, if any.
22. Review the composition of the Board of Directors of its Subsidiary Company, if any.
23. Review the Vigil mechanism (whistle blowing) policy.
24. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

STAKEHOLDERS RELATIONSHIP COMMITTEE / INVESTORS GRIEVANCE COMMITTEE

Our Company has constituted a Stakeholders relationship Committee / investors grievance committee ("**Stakeholders relationship committee / Investors Grievance Committee**") to redress the complaints of the shareholders. The Stakeholders relationship Committee /Investors Grievance Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 31st March, 2014. The committee currently



comprises of three (3) Directors. Ms. Radhika Thapliyal is the Chairman of the Stakeholders relationship Committee / Investors Grievance committee.

| Sr. No. | Name of the Director | Status | Nature of Directorship |
|---------|-----------------------|----------|---|
| 1. | Ms. Radhika Thapliyal | Chairman | Independent Director |
| 2. | Mr. Amit Kumar Gupta | Member | Independent Director |
| 3. | Mr. Vinay Kumar | Member | Executive & Non Independent Director |

Role of shareholders/investors grievance committee

The Shareholders / Investors Grievance Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

NOMINATION AND REMUNERATION COMMITTEE

Our Company has constituted a nomination and remuneration committee ("**Nomination and Remuneration Committee**"). The Nomination and Remuneration Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 31st March, 2014. The committee currently comprises of three (3) Directors. Ms. Radhika Thapliyal is the Chairman of the remuneration committee.

| Sr. No. | Name of the Director | Status | Nature of Directorship |
|---------|-----------------------|----------|---|
| 1. | Ms. Radhika Thapliyal | Chairman | Independent Director |
| 2. | Mr. Amit Kumar Gupta | Member | Independent Director |
| 3. | Mr. Vishal Yadav | Member | Executive & Non Independent Director |

The terms of reference of the remuneration committee are as follows:

- The remuneration committee recommends to the board the compensation terms of the executive directors.
- The committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.
- The committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

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

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's shares on the Stock Exchange. Our Company Secretary and Compliance Officer, Mr. Sachin Verma, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

SHAREHOLDING DETAILS OF THE DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. The following table details the shareholding of our Directors as on the date of this Prospectus:

| Name of the Directors | No. of Equity Shares | Pre-Issue percentage Shareholding |
|-----------------------|----------------------|-----------------------------------|
| Mr. Vinay Kumar | 15000 | 0.17 |
| TOTAL | 15000 | 0.17 |

INTEREST OF DIRECTORS

All the Directors of our Company may be deemed to be interested to the extent of sitting fees and/or other remuneration if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses if any payable to them under the Articles of Association. All the Directors may also be deemed to be interested in the Equity Shares of our Company, if any, held by them, their relatives or by the companies or firms or trusts in which they are interested as directors / members / partners or that may be subscribed for and allotted to them, out of the present Issue and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

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 other company in which they have direct /indirect interest or any partnership firm in which they are partners.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

PROPERTY INTEREST

Except as disclosed in the section titled "Our Business" on page 64, our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE (3) YEARS

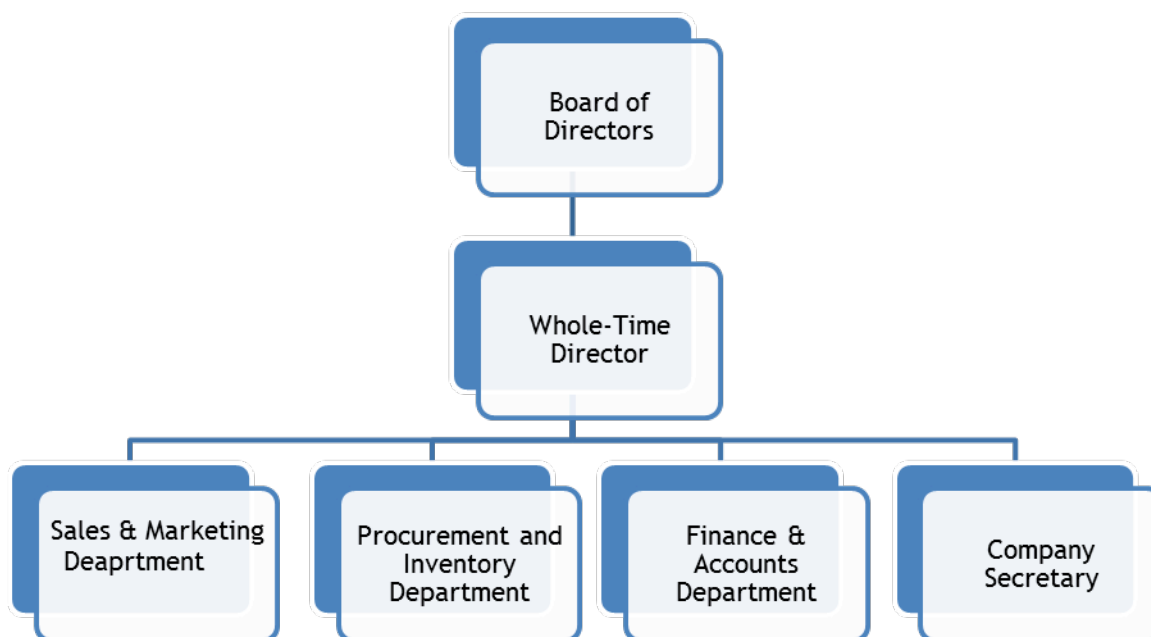
The changes in the Directors during last three (3) years are as follows:

| Name | Date of Appointment | Date of Cessation | Reason |
|---------------------|---------------------|-------------------|----------------------------------|
| Mr. Satyendra Kumar | 12/05/2009 | 15/03/2012 | Resignation due to preoccupation |
| Mr. Sumit Kumar | 15/03/2012 | 31/03/2014 | Resignation due to preoccupation |
| Mr. Gopal Gupta | 05/10/2010 | 15/03/2012 | Resignation due to preoccupation |
| Mr. Vinay Kumar | 15/03/2012 | 15/03/2014 | Resignation due to preoccupation |
| Mr. Vikas Kumar | 16/03/2012 | 17/05/2013 | Resignation due to preoccupation |



| Name | Date of Appointment | Date of Cessation | Reason |
|-----------------------|---------------------|-------------------|------------------------------------|
| Mr. Vishal Yadav | 31/03/2012 | - | Appointment as Director |
| Mr. Vinay Kumar | 03/09/2013 | - | Appointment as Director |
| Mr. Amit Kumar Gupta | 15/03/2014 | | Appointment as Additional Director |
| Ms. Radhika Thapliyal | 31/03/2014 | | Appointment as Additional Director |

ORGANISATION STRUCTURE



KEY MANAGERIAL PERSONNEL

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of finance/ capital market and corporate laws.

The following key personnel assist the management of our Company:

| Name | Date of Joining | Designation | Functional Responsibilities | Qualification |
|-----------------|-----------------|--|--|--------------------------|
| Mr. Vinay Kumar | 03.09.2013 | Whole-time Director | General planning & Management of day to day affairs | B.Com |
| Gaurav Bansal | 15.01.2014 | Chief Financial Officer | Accounting, Finance controls and management of cash flows | B.Com |
| Sachin Verma | 01.10.2014 | Company Secretary & Compliance Officer | Drafting of agreements, drafting of resolutions, preparation of minutes & compliance of the provisions of the Companies Act, 2013. | Company Secretary, M.Com |



BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

Mr. Vinay Kumar, is a Whole Time Director- He is bachelor of Commerce by qualification. He has been on the board of Company since, September 2013. He has 7.5 years of experience in leadership positions in the Business administration. He is responsible for overall planning & management of our Company. He assesses the principal risks of the Company and ensures that these risks are being monitored and managed. He Control the all business growth & development related activities of the Company.

Mr. Gaurav Bansal, is the Chief Financial Officer. He is Commerce Graduate and in the field of Accounting, Finance of our company. He supervises and controls overall Accounts and Finance Functions. He is associated with our Company since January, 2014.

Mr. Sachin Verma, is Company Secretary & Compliance Officer of our Company. He is an associate member of Institute of Companies Secretaries of India. He is associated with our Company from October, 2014. His scope of work and responsibilities includes 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.

FAMILY RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

As on date, none of the key managerial persons is having family relation with each other.

ALL OF KEY MANAGERIAL PERSONNEL ARE PERMANENT EMPLOYEE OF OUR COMPANY

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

As on date, none of the key managerial personnel holds any Equity Shares of our Company except as detailed below:

| Name of the Directors | No. of Equity Shares | Pre-Issue percentage Shareholding |
|-----------------------|----------------------|-----------------------------------|
| Mr. Vinay Kumar | 15000 | 0.17 |

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 are no loans outstanding against Key Managerial Personnel as on the date of this Prospectus.

CHANGES IN KEY MANAGERIAL PERSONNEL OF OUR COMPANY DURING THE LAST THREE (3) YEARS

There are no changes in the Key Managerial Employees of the Issuer during the last three (3) years.

| Name | Date of Appointment | Date of Cessation | Reason |
|------------------|---------------------|-------------------|---------------------------|
| Mr. Vinay Kumar | September, 2013 | - | Appointment |
| Mr. Gurav Bansal | January, 2014 | - | Appointment |
| Mr. Sumit Sharma | July, 2014 | September, 2014 | Appointment & Resignation |
| Mr. Sachin Verma | October, 2014 | - | Appointment |



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 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.

**OUR PROMOTERS**

The Promoters of our Company are:

Mr. Vinay Kumar
M/s. Mallya Real Estates Private Limited

DETAILS OF OUR PROMOTERS ARE AS UNDER**1. Mr. Vinay Kumar**

| | |
|---|--|
|  | Mr. Vinay Kumar: aged 30 years, is Promoter & Whole Time Director of our Company. He has completed his graduation in commerce and 9 years of experience in leadership positions in the business administration. He has been on the board of Company since, September 2013. He is responsible for overall planning & management of our Company. He assesses the principal risks of the Company and ensures that these risks are being monitored and managed. He Control the all business growth & development related activities of the Company. For further details relating to Mr. Vinay Kumar, including address and other directorships, see the section titled “Our Management” on page 74 of Prospectus. |
|---|--|

Identification

| | |
|---------------------------------|--|
| Name | Mr. Vinay Kumar |
| Permanent Account Number | AWQPK8826L |
| Passport No. | N.A. |
| Voter ID | NWD1748870 |
| Driving License | N.A. |
| Bank Account Details | 1120000100189371 Punjab National Bank |

2. M/s. Mallya Real Estates Private Limited

M/s Mallya Real Estates Private Limited was incorporated on 27th June, 2006 as a private limited company under the Companies Act, 1956 and registered with the Registrar of Companies, National Capital Territory of Delhi & Haryana. The Corporate Identification Number of our Company is U70109HR2006PTC036234. The registered office of Mallya Real Estates Private Limited is situated at 32A, G.No-3, BLK-B, Shiv Colony, Palla No.-1, Faridabad, Haryana-121003.

Mallya Real Estates Private Limited holds 3158100 Equity Shares of our Company, which constitutes 34.99% of Pre Issue paid up Capital.

Identification

| | |
|---------------------------------|--|
| Name | M/s. Mallya Real Estates Private Limited |
| Permanent Account Number | AAICM0912C |
| Passport No. | N.A. |
| Voter ID | N.A. |
| Driving License | N.A. |
| Bank Account Details | 50200004381541 HDFC Bank Limited |

**The Main Objects of Mallya Real Estates Private Limited are as follows:**

1. To purchase any land, plot(s) of land or immovable property or any right or interest therein either singly or jointly or in Partnership with any person(s) or Body Corporate or partnership Firm and to develop and construct thereon residential, commercial complex or complex(es) either singly or jointly or in partnership as aforesaid, comprising offices for sale or self use or for earning rental income thereon by letting out individual units comprised in such building(s).
2. To purchase any movable or immovable property including industrial, commercial, residential, or farm lands, plots, buildings, houses, apartments, flats or areas within or outside the limits of Municipal Corporation or other local bodies, anywhere within the Domain of India, to divide the same into suitable plots, and to rent or sell the plots for building/constructing residential houses, bungalows, business premises, and colonies and rent or sell the same and realize cost in lump sum or easy installments or by hire purchase system and otherwise
3. To purchase, sell and otherwise to carry on the business as builders, contractors, architects, engineers, estate agents, decorators and surveyors.
4. To purchase for resale and to trade in land and house and other immovable property of any tenure and any interest therein, and to create, sell and deal in freehold and leasehold ground rents, and to deal in trade by way of sale, or otherwise with land and house property and any other immovable property whether real or personal.
5. To construct, execute, carryout, equip, support maintain, operate, improve, work, develop, administer, manage, control and superintend within or outside the country any where in the works all kinds of works, public or otherwise, buildings, houses and other constructions or conveniences of all kinds, which expression in this memorandum includes roads, railways and tramways, docks, harbors, Piers, wharves, canals, serial runways and hangers, airports, reservoirs, embankments, irrigations, reclamation, improvements, sewage, sanitary, water, gas, electronic light, power supply works, and hotels, cold storages, warehouses, cinema houses, markets, public and other buildings and all other works and conveniences of public or private utility, to apply for purchase or otherwise acquire and contracts, decrease, concessions, for or in relation to the construction, execution, carrying out equipment, improvement, administration, or control of all such works and conveniences as aforesaid and to undertake, execute, carry out, dispose off or otherwise turn to account the same.

Board Of Directors of Mallya Real Estates Private Limited as on the date of this Prospectus is as follows:

1. Mr. Vinay Kumar
2. Ms. Aarti

Shareholding Pattern:

As on date of filing, the shareholding pattern of Mallya Real Estates Private Limited as follows :

| Sr. No. | Name of Shareholder | No. of shares |
|---------|---------------------|---------------|
| 1 | Mr. Vinay Kumar | 8500 |
| 2 | Ms. Aarti | 1500 |

Audit Financial Information of Mallya Real Estates Private Limited

(Rs. In Lacs)

| Particulars | FY--2013-14 | FY-2012-13 | FY-2011-12 |
|---|-------------|------------|------------|
| Equity Share Capital | 1.00 | 1.00 | 1.00 |
| Reserves & Surplus | (0.18) | (0.20) | (0.18) |
| Less : Miscellaneous Expenditures not written off | - | - | - |
| Net Worth | 0.82 | 0.80 | 0.82 |
| Revenue | 0.04 | - | - |
| Profit / (Loss) after Tax | 0.01 | (0.02) | (0.01) |



Amsons Apparels Limited

The Equity Shares of Mallya Real Estates Private Limited is not listed on any stock exchanges. No action has been taken against the company by any Stock Exchange or SEBI. Mallya Real Estates Private Limited is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further Mallya Real Estates Private Limited is not under winding up, neither does it have a negative Net Worth. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against Mallya Real Estates Private Limited.

OTHER UNDERTAKINGS AND CONFIRMATIONS

Our Company undertakes that the details of Permanent Account Number, bank account number and passport number of the Promoters will be submitted to the SME platform of BSE Exchange, where the securities of our Company are proposed to be listed at the time of submission of Prospectus.

COMMON PURSUITS OF OUR PROMOTERS

Our Promoters do not have any common pursuits and are not engaged in the business similar to those carried out by our Company.

INTEREST OF THE PROMOTERS

Interest in the promotion of our Company

Our Promoters may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by themselves as well as their relative and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, our Promoters may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which either of them are interested as a director, member or partner. In addition, our Promoters, being Director may be deemed to be interested to the extent of fees, if any, payable for attending meetings of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses, if any, payable under our Articles of Association and to the extent of remuneration, if any, paid for services rendered as an officer or employee of our Company as stated in section titled “*Our Management*” on page 74 of this Prospectus.

Interest in the property of our Company

Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

Interest as Member of our Company

As on the date of this Prospectus, our Promoters together hold 3173100 Equity Shares of our Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoters in our Company and benefits as provided in the section titled ‘*Terms of appointment and compensation of our Directors*’ on page 76, our Promoters does not hold any other interest in our Company.

Also see “Our Management-Interest of Directors” on page 80 of 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 the Prospectus except as mentioned / referred to in this chapter and in the section titled ‘Our Management’, ‘Financial Information’ and ‘Capital Structure’ on page nos. 74, 84 and 32 respectively of this Prospectus. Further as on the date of the Prospectus, there is no bonus or profit sharing plan for our Promoters.



CONFIRMATIONS

For details on litigations and disputes pending against the Promoters and defaults made by them, please refer to the section titled “*Outstanding Litigation and Material Developments*” on page 111 of the Promoters. Our Promoters have not been declared a willful 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.

RELATED PARTY TRANSACTIONS

Except as disclosed in the section titled “*Related Party Transactions*” beginning on page 90, our Company has not entered into any related party transactions with our Promoters.

**OUR PROMOTER GROUP / GROUP COMPANIES / ENTITIES****PROMOTER GROUP INDIVIDUALS**

The following natural person (being the immediate relative of our Promoter) form part of our Promoter Group:

Relatives of Promoters:

| Relationship | Mr. Vinay Kumar |
|---------------------|--|
| Spouse | Mrs. Vijay Laxmi |
| Father | Mr. Ramesh Chand |
| Mother | Mrs. Prakash Devi |
| Brothers | 1. Mr. Lokesh Kumar 2. Yogesh Kumar |
| Sister | Mrs. Neelam |
| Son | - |
| Daughter | - |

PROMOTER GROUP COMPANIES AND ENTITIES

As specified in clause 2 (zb) of the SEBI Regulation, the companies, HUFs, partnership firms and other entities, that form part of our Promoter Group are as follows:

LISTED COMPANIES WITHIN OUR PROMOTER GROUP

There is no listed Company in our Promoter Group.

UNLISTED COMPANIES WITHIN OUR PROMOTER GROUP

Mallya Real Estates Private Limited is sole unlisted Company in our Promoter Group, the details of same are given on page 84 under section titled "Our Promoters".

COMMON PURSUITS

The Promoters do not have any common pursuits and are not engaged in the business similar to those carried out by our Company.

LITIGATION/ DEFAULTS

For details relating to legal proceedings involving the Promoters and Members of the Promoter Group, see the section titled "Outstanding Litigation and Material Developments" beginning on page 111 of this Prospectus.

DISASSOCIATION WITH COMPANIES/FIRMS BY THE PROMOTERS OF OUR COMPANY DURING THE PRECEDING THREE (3) YEARS

Our Promoters have not disassociated with any of entity during the preceding three (3) years.

INTEREST OF PROMOTER GROUP COMPANIES

Our Promoter Group companies are interested parties to the extent of their shareholding in the Company, if any dividend and distributions which may be made by the Company in future and to the extent of the related party transactions disclosed in the section titled "Related Party Transactions" beginning on page 90 of the Prospectus.



RELATED BUSINESS TRANSACTION WITHIN THE GROUP AND SIGNIFICANCE ON FINANCIAL PERFORMANCE

There is no business transactions between our Company and the Promoter Group Companies except as stated on page 105 under section titled as *“Related Party Transactions”*.

SALE OR PURCHASE BETWEEN OUR COMPANY AND OUR PROMOTER GROUP COMPANIES

There are no sales or purchases between our Company and any company in the Promoter Group exceeding 10% of the sales or purchases of our Company.

SICK COMPANIES

There are no Companies in our group listed above which have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies. The Promoter Group Companies do not have negative net worth. Further, no application has been made by any of them to RoC to strike off their names.

CONFIRMATION

Our Promoters and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the Promoter or Group Companies has a negative net worth as of the date of the respective last audited financial statements.



RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure 15 of restated financial statement under the section titled "*Financial Information*" on page 105 of the Prospectus.



DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company in the preceding five financial years.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.



SECTION V: FINANCIAL INFORMATION

Auditors' Report

To,
The Board of Directors,
Amsons Apparels Limited.
No. 116, First Floor, Hemkunt Chamber,
89, Nehru Place,
New Delhi-110 019

Dear Sirs,

We have examined the Financial Information of **Amsons Apparels Limited** (the Company') described below and annexed to this report for the purpose of inclusion in the offer document. The Financial Information has been prepared in accordance with the requirements of Companies Act ('the Act'), The Securities and Exchange Board of India (SEBI)- Issue of Capital and Disclosure Requirements Regulations, 2009 ('ICDR Regulations') notified on August 26, 2009, the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI) and in terms of the engagement agreed upon by us with the Company.

The Financial Information has been approved by its Board of Directors and Audit Committee of Board of Directors.

Company proposes to make an Initial Public Offer (IPO) for the fresh issue of equity shares having a face value Rs 10/- each.

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Amsons Apparels Limited, we, M/s. Gupta Rautela & Co., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

Audit for the financial year ended 31st March, 2010 and 31st March, 2011 was conducted by M/s. Gyan Shankar & Associates, for financial year ended 31st March, 2012 and 31st March, 2013 was conducted by M/s. Viresh Rai & Associates, for financial year ended 31st March, 2014 and period ended 30th September 2014 was conducted M/s. S.A. Jain & Associates, and 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.

The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the year ended March 31, 2010, 2011, 2012, 2013, 2014 and 30th September 2014 which have been approved by the Board of Directors.

A. Financial Information as per Audited Financial Statements:

We have examined:

- a. the attached Statement of Assets and Liabilities, as Restated as at year ended March 31, 2010, 2011, 2012, 2013, 2014 and as at 30th September, 2014 (Annexure 1);
- b. the attached Statement of Profits and Losses, as Restated for the year ended March 31, 2010, 2011, 2012, 2013, 2014 and for the period ended 30th September, 2014 (Annexure 2);
- c. the attached Statement of Cash Flows, as Restated for the year ended March 31, 2010, 2011, 2012, 2013, 2014 and as at 30th September, 2014 (Annexure 3);
- d. the significant accounting policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure 4);



(Collectively hereinafter referred as “Restated Financial Statements”)

The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the year ended March 31, 2010, 2011, 2012, 2013, 2014 and for the period ended 30th September, 2014 which have been approved by the Board of Directors.

Based on our examination and in accordance with the requirements of the Act, ICDR Regulations, we state that:

- Restated Statement of Assets and Liabilities of the Company as at March 31, 2010, 2011, 2012, 2013, 2014 and for the period ended 30th September, 2014 are as set out in Annexure 1, which are after making such material adjustments and regroupings as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
-
- Restated Statement of Profits and Losses of the Company for the year ended March 31, 2010, 2011, 2012, 2013, 2014 and for the period ended 30th September, 2014 are as set out in Annexure 2, which have been arrived at after making such material adjustments and regroupings to the audited financial statements as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
-
- Restated Statement of Cash Flows of the Company for the year ended March 31, 2010, 2011, 2012, 2013 2014 and for the period ended 30th September, 2014 are as set out in Annexure 3 after making such material adjustments and regroupings;
- Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements or Auditor’s qualification requiring adjustments.
- Adjustments in Financial Statements has been made in accordance with the correct accounting policies
- There was no change in accounting policies, which needs to be adjusted in the “Restated Financial Statements”.
- There are no revaluation reserves, which need to be disclosed separately in the “Restated Financial Statements”.
- There are no audit qualifications in the “Restated Financial Statements”.

B. Other Financial Information:

We have also examined the following Financial Information relating to the Company, which is based on the Restated Financial Statements and approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the Offer Document:

1. Statement of Details of Reserves & Surplus as at March 31, 2010, 2011, 2012, 2013, 2014 and as at 30TH September, 2014 as set out in **Annexure 5** to this report.
2. Statement of Accounting Ratios for the year ended on March 31, 2010, 2011, 2012, 2013, 2014 and as at 30TH September, 2014 as set out in **Annexure 6** to this report.
3. Capitalization Statement and as at 30th September, 2014 as set out in **Annexure 7** to this report.
4. Statement of Tax Shelters for the year ended on March 31, 2010, 2011, 2012, 2013 and 2014 as set out in **Annexure 8** to this report.
5. Statement of Long Term Borrowings as at March 31, 2010, 2011, 2012, 2013, 2014 and as at 30th September, 2014 as set out in **Annexure 9** to this report.



6. Statement of Trade Payables as at March 31, 2010, 2011, 2012, 2013, 2014 and as at 30th September, 2014 as set out in **Annexure 10** to this report.
7. Statement of Details of Trade Receivables as at March 31, 2010, 2011, 2012, 2013, 2014 and as at 30th September, 2014 as set out in **Annexure 11** to this report.
8. Statement of Details of Deposits / Long Term Loans and Advances as at March 31, 2010, 2011, 2012, 2013, 2014 and as at 30th September, 2014 as set out in **Annexure 12** to this report.
9. Statement of Details of Short Term Loans and Advances as at March 31, 2010, 2011, 2012, 2013, 2014 and as at 30th September, 2014 as set out in **Annexure 12** to this report.
10. Statement of Details of Current Investments as at March 31, 2010, 2011, 2012, 2013, 2014 and as at 30th September, 2014 as set out in **Annexure 14** to this report
11. Statement of Details of Related Party Transactions as at March 31, 2010, 2011, 2012, 2013, 2014 and as at 30th September, 2014 as set out in **Annexure 15** to this report.

In our opinion, the "Restated Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 15 of this report have been prepared in accordance with Part II of Schedule II to the Act, the SEBI Guidelines and the Guidance Note on the reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

This report should not in any way be construed as a reissuance or redating of the previous audit report, nor should this be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

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

For Gupta Rautela & Co.
Chartered Accountants
Firm Registration No.011235C
Sd/-
Partner
Membership No.097623

Place: Faridabad
Date: 20th November, 2014



Annexure-01

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|---|---------------|---------------|---------------|---------------|--------------|-------------|
| Equity & Liabilities | | | | | | |
| Shareholders' Funds | | | | | | |
| Share Capital | 902.70 | 478.35 | 478.35 | 300.00 | 1.00 | 1.00 |
| Reserve & Surplus | 7.81 | 6.17 | 1.91 | 0.36 | (0.52) | (0.51) |
| Total (A) | 910.51 | 484.52 | 480.26 | 300.36 | 0.48 | 0.49 |
| Non Current Liabilities | | | | | | |
| Long Term Borrowings / Payables | - | 127.20 | 295.92 | - | - | - |
| Share Application Money Pending Allotment | - | - | - | - | 96.00 | - |
| Deferred Tax Liabilities / (Assets) | 0.98 | 0.96 | 0.15 | - | - | - |
| Total (B) | 0.98 | 128.16 | 296.07 | - | 96.00 | - |
| Current Liabilities | | | | | | |
| Short Term Borrowings | - | - | - | - | - | - |
| Trade Payables | 43.22 | 20.43 | 39.24 | 41.22 | - | - |
| Other Current Liabilities | 1.42 | 0.69 | 0.08 | - | 0.01 | - |
| Short Term Provisions | 0.77 | 1.20 | 0.54 | 0.40 | - | - |
| Total (C) | 45.42 | 22.32 | 39.86 | 41.62 | 0.01 | - |
| Total (D=A+B+C) | 956.91 | 635.00 | 816.19 | 341.98 | 96.49 | 0.49 |
| Assets | | | | | | |
| Fixed Assets | 9.34 | 10.28 | 6.79 | - | - | - |
| Deposits / Long Term Loans & Advances | 169.87 | 114.00 | 219.37 | 21.63 | - | - |
| Preliminary Expenses | 6.55 | 7.48 | - | - | - | - |
| Non Current Investments | 344.00 | - | - | - | - | - |
| Total (E) | 529.76 | 131.76 | 226.16 | 21.63 | - | - |
| Current Assets | | | | | | |
| Trade Receivables | 156.06 | 98.80 | 26.63 | 40.45 | - | - |
| Inventories of Stock in Trade | - | - | - | - | - | - |
| Current Investments | 84.50 | 84.50 | 283.50 | 279.00 | 96.00 | - |
| Cash & Bank Balances | 30.96 | 24.50 | 1.28 | 0.72 | 0.49 | 0.49 |
| Short Term Loans & Advances | 155.63 | 295.43 | 278.50 | - | - | - |
| Other Current Assets | - | 0.01 | 0.12 | 0.18 | - | - |
| Total (F) | 427.15 | 503.24 | 590.03 | 320.35 | 96.49 | 0.49 |
| Total (G=E+F) | 956.91 | 635.00 | 816.19 | 341.98 | 96.49 | 0.49 |



Annexure-02

STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Income | | | | | | |
| Sale of Goods Traded | 226.36 | 321.00 | 209.69 | 146.26 | - | - |
| Other Income | - | 0.08 | 1.27 | 1.81 | - | - |
| Total | 226.36 | 321.08 | 210.96 | 148.07 | - | - |
| | | | | | | |
| Expenditure | | | | | | |
| Purchases of Goods Traded | 203.45 | 294.50 | 201.59 | 143.95 | - | - |
| Changes in Inventories of Stock in Trade | - | - | - | - | - | - |
| Employees Benefit Expenses | 6.43 | 7.67 | 3.36 | 1.44 | - | - |
| Administrative, Selling & Other Expenses | 13.00 | 10.10 | 3.43 | 1.40 | 0.01 | 0.01 |
| Total | 222.88 | 312.27 | 208.38 | 146.79 | 0.01 | 0.01 |
| Profit before Depreciation, Interest and Tax | 3.48 | 8.81 | 2.58 | 1.28 | (0.01) | (0.01) |
| Depreciation & Amortisation Expenses | 1.04 | 2.27 | 0.17 | - | - | - |
| Profit before Interest & Tax | 2.44 | 6.54 | 2.41 | 1.28 | (0.01) | (0.01) |
| Finance Expenses | 0.01 | 0.27 | 0.18 | - | - | - |
| Net Profit before Tax | 2.43 | 6.27 | 2.23 | 1.28 | (0.01) | (0.01) |
| Less: Provision for Taxes: | | | | | | |
| Current Tax | 0.77 | 1.20 | 0.54 | 0.40 | - | - |
| Deferred Tax | 0.02 | 0.81 | 0.15 | - | - | - |
| Net Profit After Tax & Before Extraordinary Items | 1.64 | 4.26 | 1.54 | 0.88 | (0.01) | (0.01) |
| Extra Ordinary Items (Net of Tax) | - | - | - | - | - | - |
| Net Profit | 1.64 | 4.26 | 1.54 | 0.88 | (0.01) | (0.01) |



**Annexure-03
STATEMENT OF CASH FLOW, AS RESTATED**

(Rs. In Lacs)

| | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|--|-----------------|-----------------|-----------------|-----------------|----------------|---------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| Net profit after taxes | 2.43 | 6.27 | 2.23 | 1.28 | (0.01) | (0.01) |
| Adjustment for: | | | | | | |
| Add: Depreciation & Amortisation Expenses | 1.04 | 2.27 | 0.17 | - | - | - |
| Add: Preliminary Expenses Written Off | 0.93 | 1.87 | - | - | - | - |
| Less: Interest Income | | 0.08 | 1.27 | - | - | - |
| Operating Profit before Working capital changes | 4.40 | 10.49 | 3.67 | 1.28 | (0.01) | (0.01) |
| Adjustments for: | | | | | | |
| Decrease (Increase) in Trade Receivables | (57.25) | (72.17) | 13.82 | (40.45) | - | - |
| Decrease (Increase) in Inventories | - | - | - | - | - | - |
| Decrease (Increase) in Short Term Loans & Advances | 139.80 | (16.93) | (278.50) | - | - | - |
| Decrease (Increase) in Other Current Assets | 0.01 | 0.11 | 0.06 | (0.18) | - | 0.14 |
| Increase (Decrease) in Short Term Borrowings | | - | - | - | - | - |
| Increase (Decrease) in Trade Payables | 22.79 | (18.81) | (1.96) | 41.20 | - | - |
| Increase (Decrease) in Other Current Liabilities | 0.73 | 0.61 | 0.06 | 0.01 | 0.01 | (0.14) |
| Net Changes in Working Capital | 106.08 | (107.19) | (266.52) | 0.58 | 0.01 | (0.00) |
| Cash Generated from Operations | 110.48 | (96.70) | (262.85) | 1.86 | - | (0.01) |
| Direct Taxes (Paid)/ Refunds | (1.20) | (0.54) | (0.39) | - | - | - |
| Net Cash Flow from Operating Activities (A) | 109.28 | (97.24) | (263.24) | 1.86 | - | (0.01) |
| | | | | | | |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | | |
| Sale /(Purchase) of Fixed Assets | (0.10) | (5.76) | (6.96) | - | - | - |
| Decrease (Increase) in Deposits / Long Term Loans & Adv. | (55.87) | 105.37 | (197.74) | (21.63) | - | - |
| Sale /(Purchase) of Current Investments | - | 199.00 | (4.50) | (183.00) | (96.00) | - |
| Sale /(Purchase) of Non Current Investments | (344.00) | | | | | |
| Net Cash Flow from Investing Activities (B) | (399.97) | 298.61 | (209.20) | (204.63) | (96.00) | - |
| | | | | | | |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | | |
| Issue of share capital | - | - | 178.35 | 299.00 | - | - |
| Increase / (Repayment) of Share Application Money | 424.35 | - | - | (96.00) | 96.00 | - |
| Interest & Finance Income | - | (0.08) | (1.27) | - | - | - |
| Preliminary Expenses Incurred | - | (9.35) | - | - | - | - |
| Increase / (Repayment) of Long Term Borrowings | (127.20) | (168.72) | 295.92 | - | - | - |
| Net Cash Flow from Financing Activities (C) | 297.15 | (178.15) | 473.00 | 203.00 | 96.00 | - |
| Net Increase / (Decrease) in Cash & Equivalents | 6.46 | 23.22 | 0.56 | 0.23 | - | (0.01) |
| Cash and equivalents at the beginning of the year / Period | 24.50 | 1.28 | 0.72 | 0.49 | 0.49 | 0.50 |
| Cash and equivalents at the end of the year/ Period | 30.96 | 24.50 | 1.28 | 0.72 | 0.49 | 0.49 |



Annexure-04

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention on the concept of a going concern, in accordance with the Generally Accepted Accounting Principles and mandatory Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006 and as per the provisions and presentational requirements of the Companies Act, 1956.

2. Use of estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Changes in Accounting policies

The accounting policies adopted are consistent with those of previous financial year. The management assures that there has been no change in accounting policies as compared to that of previous year which would have any significant effect on these financials.

4. Recognition of Income

Sales represents invoiced Value of goods Sold. Other Income is recognised and accounted for on accrual basis unless otherwise stated.

5. Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

6. Taxes on Income

Current tax is determined and provided for on the amount of taxable income at the applicable rates for the relevant financial year. Deferred Tax Assets and Liabilities (DTA/ DTL) are recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. The DTA is recognised only to the extent that there is reasonable certainty of sufficient future profits against which such DTA can be realised.

7. Contingent Liability

The contingent liabilities, if any, are disclosed in the Notes to Accounts. Provision is made in the accounts, if it becomes probable that there will be outflow of resources for settling the obligation.



8. Events occurring after the balance sheet date

Adjustments to assets and liabilities are made for events occurring after the balance sheet date to provide additional information materially affecting the determination of the amounts of assets or liabilities relating to conditions existing at the balance sheet date.

9. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year/ period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year/ period.

10. Foreign Currency Transaction

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end are translated at the rate ruling at the year end rate.

11. Investment

All the investments made by the company are valued at Cost. Investments that are readily realizable and intended to be held for not more than a year are classified as "Current Investments". Provision for diminution in the value of long-term investment is made only if such decline is other than temporary in nature.

12. Taxation

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI. At each Balance Sheet date the Company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be. No Tax whether current or deferred has been charged on exempted incomes.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

B. CHANGES IN ACCOUNTING POLICIES IN THE YEARS/PERIODS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies during the reporting periods.

C. NOTES ON RESTATED FINANCIAL STATEMENTS

NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2009]

A. The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.



(Rs. In Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|--|----------|----------|----------|----------|----------|----------|
| Profit after tax before appropriation (as per Audited accounts) | 1.64 | 4.26 | 1.54 | 0.88 | (0.01) | (0.01) |
| Material Adjustments | - | - | - | - | - | - |
| Profit after Tax as per Restated Profit & Loss Account | 1.64 | 4.26 | 1.54 | 0.88 | (0.01) | (0.01) |

2. Other Notes

1. General

The Company was incorporated during the year 1996 and restated financial statements has been prepared for the fiscal year ended March 31, 2010, 2011, 2012, 2013, 2014 and as at 30th September, 2014

2. Segment Reporting

Based on the guidelines of Accounting Standards on segment reporting(AS-17) issued by The Institute of Chartered Accountants of India, the Company was engaged in only one business segment in context of accounting standards 17 on Segment Reporting issued by ICAI i.e. Trading of cloth and fashion apparels. The company is not operating in any of the geographical segment.

3. Earnings per Share

The details of Earnings per Share as per AS-20 are provided in Annexure 6.

4. Related Party Transactions:

The details of Related Party Transactions as per Accounting Standard -18 are provided in Annexure 15.

5. The figures in the Restated Financial Statements and Other Financial Information are stated in Lacs and rounded off to two decimals and minor rounding off difference is ignored.

Annexure- 05

STATEMENT OF DETAILS OF RESERVES & SURPLUS, AS RESTATED

(Rs. In Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|-----------------------------------|----------|----------|----------|----------|----------|----------|
| Profit / (Loss) Brought Forward | 6.17 | 1.90 | 0.36 | (0.52) | (0.51) | (0.50) |
| Add: Profit / (Loss) for the Year | 1.64 | 4.26 | 1.54 | 0.88 | (0.01) | (0.01) |
| Less: Utilized for Misc. Exp. | - | - | - | - | - | - |
| Profit / (Loss) Carried Forward | 7.81 | 6.17 | 1.90 | 0.36 | (0.52) | (0.51) |
| Reserves & Surplus | 7.81 | 6.17 | 1.90 | 0.36 | (0.52) | (0.51) |



Annexure- 06

STATEMENT OF ACCOUNTING RATIOS

| Particulars | (Rs. In Lacs) | | | | | |
|--|---------------|-----------|-----------|-----------|----------|----------|
| | 30.09.2014 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
| Net worth (A) | 903.96 | 477.04 | 480.26 | 300.36 | 0.48 | 0.49 |
| Net Profit after Tax (B) | 1.64 | 4.26 | 1.54 | 0.88 | (0.01) | (0.01) |
| No. of Shares outstanding at the end [F.V Rs.10] (C) | 90,27,000 | 4,783,500 | 4,783,500 | 3,000,000 | 10,000 | 10,000 |
| Weighted average number of shares outstanding (Excluding Bonus Shares) [F.V Rs.10] (D) | 77,94,641 | 4,783,500 | 1,047,604 | 10,817 | 10,000 | 10,000 |
| Bonus Shares (D) | - | - | - | - | - | - |
| Weighted average number of shares outstanding Post Bonus Shares [F.V Rs.10] (F) | 77,94,641 | 4,783,500 | 1,047,604 | 10,817 | 10,000 | 10,000 |
| Earnings per Share (EPS) (B / F) (Rs.) | 0.021 | 0.09 | 0.15 | 8.14 | (0.10) | (0.10) |
| Return on Net worth (B / A) | 0.18% | 0.89% | 0.32% | 0.29% | (2.08)% | (2.04)% |
| Net Assets Value per Share (A / C) | 10.01 | 9.97 | 10.04 | 10.01 | 4.80 | 4.90 |

Definitions of key ratios:

I. Earnings per share (Rs.): Net Profit attributable to equity shareholders / weighted average number of equity shares outstanding as at the end of the year / period. Earnings per share are calculated in accordance with Accounting Standard 20 "Earnings per Share" issued by the Institute of Chartered Accountants of India.

II. Return on Net Worth (%): Net Profit after tax / Net worth as at the end of the year period.

III. Net Asset Value (Rs.): Net Worth at the end of the year / Number of equity shares at the end of the year / period.

IV. Net Profit, as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

V. In case of a bonus issue after the Balance Sheet date but before the date on which the Financial Statements are approved by the Board of Directors', the per share calculations for those Financial statements and any prior period Financial Statements presented are based on the new no. of shares. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.



Annexure- 07

CAPITALIZATION STATEMENT

(Rs. In Lacs)

| Particulars | Pre-issue as at 30 th September, 2014 | Post Issue * |
|--|--|-----------------|
| Borrowing | | |
| Short - Term Debt | - | |
| Long - Term Debt | - | |
| Total Debt | - | |
| Shareholders' Funds | | |
| Share Capital | | |
| - Equity | 902.70 | |
| Less: Calls - in - arrears | - | |
| - Preference | - | |
| Reserves & Surplus | 7.81 | |
| Less: Preliminary Expenses (To the extent not written off) | 6.55 | |
| Total Shareholders' Funds | 903.96 | |
| Long - Term Debt / Shareholders Fund | - | |
| Short - Term Debt / Shareholders Fund | - | |

* The Post Issue Capitalization will be determined only after the completion of the allotment of equity shares in the IPO.



Annexure- 08

STATEMENT OF TAX SHELTERS

(Rs. In Lacs)

| Particulars | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|---|-------------|-------------|-------------|----------|----------|
| Profit before tax as per Restated P/L | 6.27 | 2.23 | 1.28 | (0.01) | (0.01) |
| Applicable Corporate Tax Rate | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% |
| Tax at Notional Rate | 1.94 | 0.69 | 0.40 | (0.00) | (0.00) |
| Adjustments | | | | | |
| Difference between Tax Depreciation and Book Depreciation | 2.43 | 0.49 | - | - | - |
| Exempted Income and Its Expenses | - | - | - | - | - |
| Disallowance | (0.05) | - | - | - | - |
| Items Chargeable at special rates | - | - | - | - | - |
| Other Items | - | - | - | - | - |
| Set off of Business Losses / Unabsorbed Depreciation | - | - | - | - | - |
| Net Adjustments | 2.38 | 0.49 | - | - | - |
| Tax Saving thereon | 0.74 | 0.15 | - | - | - |
| Tax Saving to the extent of Tax at Notional Rate | 0.74 | 0.15 | - | (0.00) | (0.00) |
| Tax Payable [A] | 1.20 | 0.54 | 0.40 | - | - |
| Tax Payable on items chargeable at special rates [B] | - | - | - | - | - |
| Total Tax Payable [C=A+B] | 1.20 | 0.54 | 0.40 | - | - |
| Tax Rebates [D] | - | - | - | - | - |
| Net Tax Payable [E=C-D] | 1.20 | 0.54 | 0.40 | - | - |

Annexure – 09

STATEMENT OF DETAILS OF LONG TERM BORROWINGS

| Particulars | (Rs. In Lacs) | | | | | |
|---|---------------|---------------|---------------|----------|----------|----------|
| | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
| Secured Loans | | | | | | |
| From Bank & Financial Institutions | | - | - | - | - | - |
| Unsecured Loans* | | | | | | |
| From Promoter/Group Companies and Directors | | - | - | - | - | - |
| From Others | - | 127.20 | 295.92 | - | - | - |
| Total | - | 127.20 | 295.92 | - | - | - |

* Unsecured Loan, repayable on demand



Annexure-10

STATEMENT OF DETAILS OF TRADE PAYABLES

(Rs. In Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|--------------------------------------|--------------|--------------|--------------|--------------|----------|----------|
| Sundry Creditors for Goods Purchased | 43.22 | 20.43 | 39.24 | 41.20 | - | - |
| Total | 43.22 | 20.43 | 39.24 | 41.20 | - | - |

Annexure-11

STATEMENT OF DETAILS OF TRADE RECIEVABLES

(Rs. In Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|--|---------------|--------------|--------------|--------------|----------|----------|
| (A) Unsecured, Considered good outstanding for a period less than six months | | | | | | |
| Others | 156.06 | 98.80 | 26.63 | 40.45 | - | - |
| Amount due from Promoter/Group Companies and Directors | | - | - | - | - | - |
| (B) Unsecured, Considered good outstanding for a period more than six months | | | | | | |
| Others | - | - | - | - | - | - |
| Amount due from Promoter/Group Companies and Directors | - | - | - | - | - | - |
| Total | 156.06 | 98.80 | 26.63 | 40.45 | - | - |

Annexure-12

STATEMENT OF DETAILS OF DEPOSITS / LONG TERM LOANS & ADVANCES

(Rs. In Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|----------------|---------------|---------------|---------------|--------------|----------|----------|
| Misc. Advances | 169.00 | 114.00 | 219.37 | 21.63 | - | - |
| Total | 169.00 | 114.00 | 219.37 | 21.63 | - | - |



Annexure-13

STATEMENT OF DETAILS OF SHORT TERM LOANS & ADVANCES

(Rs. In Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|-----------------------|---------------|---------------|---------------|----------|----------|----------|
| Advances to Suppliers | 155.63 | 295.43 | 278.50 | - | - | - |
| Total | 155.63 | 295.43 | 278.50 | - | - | - |

ANNEXURE-14

STATEMENT OF DETAILS OF CURRENT INVESTMENTS

(Qty in Lac Shares and Amount Rs. In Lacs)

| Particulars | 30.09.14 | | 31.03.14 | | 31.03.13 | | 31.03.12 | | 31.03.11 | | 31.03.10 | |
|--|-------------|--------------|-------------|--------------|--------------|---------------|--------------|---------------|-------------|--------------|----------|-----|
| | QTY | AM T | QTY | AMT | QTY | AMT | QTY | AMT | QTY | AMT | QTY | AMT |
| Unquoted Shares: | | | | | | | | | | | | |
| Govardhan Industries Private Limited | | - | | - | 8.515 | 85.15 | 8.515 | 85.15 | | - | | - |
| Swojas Finance Private Limited | | - | | - | 4.80 | 48.00 | 4.80 | 48.00 | 1.60 | 16.00 | | - |
| Rajdhani Coach Cluster Service Private Limited | | - | | - | 6.585 | 65.85 | 6.585 | 65.85 | | - | | - |
| Core Capital Private Limited | 8.45 | 84.50 | 8.45 | 84.50 | 8.45 | 84.50 | 8.00 | 80.00 | 8.00 | 80.00 | | - |
| TOTAL | 8.45 | 84.50 | 8.45 | 84.50 | 28.35 | 283.50 | 27.90 | 279.00 | 9.60 | 96.00 | | - |

ANNEXURE-15

STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS

(Rs. In Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|--|----------|----------|----------|----------|----------|----------|
| REVENUE ITEMS : | | | | | | |
| Remuneration to Promoter and Directors-Mr. Vinay Kumar | 1.20 | - | - | - | - | - |
| NON-REVENUE ITEMS : | | | | | | |
| Equity Contribution | - | - | 178.35* | - | - | - |

*it includes Rs. 50,00,000 from Mr. Vinay Kumar and Rs.1,28,35,000 from M/s Mallya Real Estates Private Limited against allotment of 5,00,000 equity shares and 1283500 equity shares respectively.



MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our audited restated financial statements prepared in accordance with paragraph B of Part II of Schedule II to the Companies Act and SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2010, 2011, 2012, 2013, 2014 and for the period ended 30th September, 2014 in the chapter titled "Financial Information" on page 92 of the Prospectus. The following discussion relates to our Company and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and the SEBI (ICDR) Regulations. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.

INDUSTRY OVERVIEW

INDIAN TEXTILE INDUSTRY:

Indian Textile Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textile industry also plays a pivotal role through its contribution to industrial output, employment generation and the export earnings of the country. It contributes about 14% to the industrial production, 4% to the GDP and 11% to the country's export earnings. The textile sector is the second largest provider of employment after agriculture.

The Indian textiles industry is extremely varied, with the hand-spun and hand woven sector at one end of the spectrum, and the capital intensive, sophisticated mill sector at the other. The decentralized power looms/ hosiery and knitting sectors form the largest section of the Textiles (**Source: Annual Report 2012 – 2013, Ministry of Textiles, GOI**)

The Indian Textile Industry counts among the leading textile industries in the world. Apart from providing the basic necessities of life, its role in the country's economic growth is significant. India's textile industry contributes about 14 per cent to industrial production; 4 per cent to the country's gross domestic product (GDP); 17 per cent to its export earnings; and is a source of direct employment for over 35 million people, which makes it the second largest provider of employment after agriculture. Abundant raw materials, healthy foreign direct investments (FDI) and a government willing to invest ensures a bright future for India's textile sector.

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

BUSINESS OVERVIEW

Our Company was originally incorporated at New Delhi as "Amsons Apparels Private Limited" on 16th September, 2003 under the provisions of the Companies Act, 1956. Our Company was converted in to a Public Limited Company and consequently the name was changed to "Amsons Apparels Limited" vide fresh certificate of incorporation dated 14th November, 2013 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana.

We are currently engaged in the business of trading of fabrics. We are a multi-product fabric trading Company and our range includes fabrics for Silk, Polyester, Lace Fabrics, Netting Fabrics, Coarse Cotton Fabric, suiting, shirting, linen, jute and other fabrics.

FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS

Our results of operations could potentially be affected by the following factors amongst others:

Competition

Our Company faces significant competition from other companies operating in the markets in India in which we operates. Some of these firms have greater resources and/or a more widely recognised brand than we have, which



may give them a competitive advantage. Our ability to grow revenues will depend on demand for our products and services in preference to those of its competitors.

Growth in the Indian economy

General economic conditions in India have a significant impact on our results of operations. The Indian economy has grown rapidly over the past decade and is expected to continue to grow in the future. We believe growth in the overall economy has driven, and will drive, the underlying demand for our products

Regulatory developments

Our Company is regulated by the Companies Act and some of its activities are subject to supervision and regulation by statutory and regulatory authorities. It is therefore subject to changes in Indian law, as well as to changes in regulation and government policies and accounting principles.

DISCUSSION ON THE RESULTS OF OPERATIONS

The following discussion on the financial operations and performance is based on our restated financial statements for the FY 009-2010, 2010-2011, 2011-2012, 2012-2013 and 2013-2014. The same should be read in conjunction with the restated audited financial results of our Company for the years ended March 31, 2010, 2011, 2012, 2013 and 2014.

Analysis on Results of Operation

Considering the various Key factors affecting our income and expenditure, our results of operations may vary from period to period. The following table sets forth certain information with respect to our results of operations for the periods indicated read together with notes to accounts, accounting policies and auditor's report as appearing in this Prospectus.

| | (Rs. In Lacs) | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| Particulars | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 |
| Sale of Goods Traded | 321.00 | 209.69 | 146.26 | - |
| <i>Increase/ (Decrease) (%)</i> | 53.08 | 43.37 | --- | --- |
| Other Income | 0.08 | 1.27 | 1.81 | - |
| <i>Increase/ (Decrease) (%)</i> | (93.70) | (29.83) | --- | --- |
| Total Income | 321.08 | 210.96 | 148.07 | - |
| Expenditure: | | | | |
| Purchase of Goods Traded | 294.50 | 201.59 | 143.95 | - |
| <i>Increase/ (Decrease) (%)</i> | 46.09 | 40.04 | --- | --- |
| Employees Benefit Expenses | 7.67 | 3.36 | 1.44 | - |
| <i>Increase/ (Decrease) (%)</i> | 128.27 | 133.33 | --- | --- |
| Administrative, Selling & Other Expenses | 10.10 | 3.43 | 1.40 | 0.01 |
| <i>Increase/ (Decrease) (%)</i> | 194.46 | 145.00 | --- | --- |
| Total | 312.27 | 208.38 | 146.79 | 0.01 |
| Profit before Depreciation, Interest and Tax | 8.81 | 2.58 | 1.28 | (0.01) |
| <i>Increase/ (Decrease) (%)</i> | 241.47 | 101.56 | --- | --- |
| Depreciation & Amortization Expenses | 2.27 | 0.17 | - | - |



| Particulars | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 |
|--|-------------|-------------|-------------|---------------|
| Increase/ (Decrease) (%) | 1,235.29 | --- | --- | --- |
| Profit before Interest & Tax | 6.54 | 2.41 | 1.28 | (0.01) |
| Increase/ (Decrease) (%) | 171.37 | 88.28 | --- | --- |
| Finance Expenses | 0.27 | 0.18 | - | - |
| Net Profit before Tax | 6.27 | 2.23 | 1.28 | (0.01) |
| Increase/ (Decrease) (%) | 181.17 | 74.22 | --- | --- |
| Less: Provision for Taxes | 2.01 | 0.69 | 0.40 | - |
| Net Profit After Tax & Before Extraordinary Items | 4.26 | 1.54 | 0.88 | (0.01) |
| Increase/ (Decrease) (%) | 176.62 | 75.00 | --- | --- |

COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2014 WITH FINANCIAL YEAR ENDED 31st MARCH, 2013

Income: Sales of for the financial year ended 31st March, 2014 was at Rs. 321.00 Lacs as against the total of Rs. 209.69 Lacs for the fiscal 2013 with increase of 53.08 % and such increase was attributed to increase in sale of products.

Expenditure: Purchases & Operative Costs have registered increase of 46.09 % at Rs. 294.50 Lacs in fiscal 2014 as compared to Rs. 201.59 Lacs for the fiscal 2013; Employees Expenses have registered increase of 128.27% at Rs. 7.67 Lacs in fiscal 2014 as compared to Rs. 3.36 Lacs in fiscal 2013 and administrative & selling expenses have shown an increase of 194.46% at Rs. 10.10 Lacs in fiscal 2014 as compared to Rs. 3.43 Lacs in fiscal 2013. The increase in expenses in fiscal 2014 is in line with increase in volume of operations. Depreciation has increased to Rs. 2.27 Lacs in fiscal 2014 as compared to Rs. 0.17 Lacs in fiscal 2013 due to addition in line of fixed assets.

Profits after Taxes (PAT): PAT of Company has recorded a jump of 176.62 % at Rs. 4.26 Lacs for fiscal 2014 as against Rs. 1.54 Lacs for fiscal 2013 due to increase in volume of operations.

COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2013 WITH FINANCIAL YEAR ENDED 31st MARCH, 2012

Income: Sales of for the financial year ended 31st March, 2013 was at Rs. 209.69 Lacs as against the total of Rs. 146.26 Lacs for the fiscal 2012 with increase of 43.37 % and such increase was attributed to increase in sale of products.

Expenditure: Purchases & Operative Costs have registered increase of 40.04 % at Rs. 201.59 Lacs in fiscal 2013 as compared to Rs. 143.95 Lacs for the fiscal 2012; Employees Expenses have registered increase of 133.33% at Rs. 3.36 Lacs in fiscal 2013 as compared to Rs. 1.44 Lacs in fiscal 2012 and administrative & selling expenses have shown an increase of 145% at Rs. 3.43 Lacs in fiscal 2013 as compared to Rs. 1.40 Lacs in fiscal 2012. The increase in expenses in fiscal 2013 is in line with increase in volume of operations. Depreciation has increased to Rs. 0.17 Lacs in fiscal 2013 as compared to Rs. Nil in fiscal 2012 due to addition in line of fixed assets.

Profits after Taxes (PAT): PAT of Company has recorded a jump of 75 % at Rs. 1.54 Lacs for fiscal 2013 as against Rs. 0.88 Lacs for fiscal 2012 due to increase in volume of operations.

COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2012 WITH FINANCIAL YEAR ENDED 31st MARCH, 2011

There was no operations in fiscal 2011, hence comparison of financials are not envisaged.



Other Information required as per SEBI Regulations

- ***Unusual or infrequent events or transactions***

There are no unusual or infrequent events or transactions that have significantly affected operations of the Company.

- ***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.

- ***Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the Risks disclosed under the section titled "Risk Factors" no known trends or uncertainties are envisaged or are expected to have a material adverse impact on sales, revenue or income from continuing operations to Company's knowledge.

- ***Future changes in relationship between costs and revenues in case of events such as future increase in labor 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 products in which the Company deals, will affect the profitability of the Company. Further, the Company may not able to pass on the increase in prices of the product to the customers in full and this can be offset through cost reduction.

- ***The extent to which material increases in net sales / revenue is due to increase in sales volume, introduction of new products or services or increased sales prices***

The increase in revenues is by and large linked to increases in volume of all the activities carried out by the Company.

- ***Total turnover of each major industry segment in which the Company operated***

The Company operates only one business segment in context of accounting standards 17 on Segment Reporting issued by ICAI i.e. Trading of cloth and fashion apparels. The company is not operating in any of the geographical segment.

- ***Status of any publicly announced New Products or Business Segment***

The Company has not announced any new products or business segment.

- ***The extent to which our Company's business is seasonal***

Our Company's business are not seasonal in nature.



- ***Any significant dependence on a single or few suppliers or customers***

We are not under threat of dependence from any single supplier or customer.

- ***Competitive conditions***

We face the competition in our business from other existing traders and manufacturers of fabrics. We compete with our competitors on a regional or product line basis. Many of our competitors have substantially large capital base and resources than we do and offer broader range products. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the services and products. We propose to create awareness of our produce by conducting and participating exhibitions, fairs, conference etc.



SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Promoter Group and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded) and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Promoter Group Companies.

I. CASES FILED BY OUR COMPANY

Civil Cases

There are no civil proceedings filed by our Company.

Criminal Cases

There are no criminal proceedings filed by our Company.

II. CASES FILED AGAINST OUR COMPANY

Civil proceedings

There are no civil proceedings filed against our Company.

Criminal Proceedings

There are no criminal proceedings filed against our Company.

III. INDIRECT TAX PROCEEDINGS INVOLVING OUR COMPANY

NIL

IV. LITIGATIONS INVOLVING OUR PROMOTER AND PROMOTER GROUP COMPANIES

(i) Proceedings of Civil nature

(a) By the promoters & Promoter Group Companies

NIL

(b) Against the promoters & Promoter Group Companies

NIL

(ii) Proceedings of a Criminal nature-

(a) By the promoters & Promoter Group Companies

NIL

(b) Against the promoters & Promoter Group Companies



NIL

V. LITIGATIONS INVOLVING DIRECTORS OF OUR COMPANY

(i) Proceedings of Civil nature

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL

(ii) Proceedings of a Criminal nature-

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL

MATERIAL DEVELOPMENTS

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last audited financial statements disclosed in this Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability or value of assets or our ability to pay material liabilities within the next twelve (12) months.



GOVERNMENT & OTHER APPROVALS

We have received all the necessary consents, licenses, permissions and approvals from the government and various government agencies/ private certification bodies for our present businesses and no further approvals are required for carrying on the present businesses except as stated in this Prospectus.

APPROVALS FOR THE ISSUE

1. The Board of Directors has, pursuant to resolution passed at its meeting held on 17th July, 2014, authorized the Issue.
2. The shareholders of our Company have, pursuant to a resolution 24th July, 2014 authorized the Issue.

INCORPORATION DETAILS

1. Certificate of incorporation dated 16th September, 2003 issued by Registrar of Companies, National Capital Territory of Delhi & Haryana in the name of Amsons Apparels Private Limited.
2. Fresh Certificate of Incorporation dated 14th November, 2013 issued by Registrar of Companies, National Capital Territory of Delhi & Haryana in the name of Amsons Apparels Limited.
3. The Company Identification Number (CIN) is U74899DL2003PLC122266.

CORPORATE APPROVALS OF OUR COMPANY

1. Permanent Account Number (AAFCA3887K) under the Income Tax Act, 1961.
2. Tax Deduction Account Number (DELA35428B) under the Income Tax Act, 1961.
3. ISIN Number is INE812P01018.

PENDING APPROVALS OF OUR COMPANY

1. Application of Trade Mark for registration of our Corporate Logo under class 1 with Registrar of Trade Marks, New Delhi.

APPROVALS TO BE OBTAINED FOR THE OBJECTS OF THE ISSUE

| Sr. No. | Licenses & Approval |
|----------------|--------------------------------|
| | Nil |



OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The shareholders of Amsons Apparels Limited had approved the present Issue by a special resolution in accordance with Section 62 (1)(c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of our Company held on 24th July, 2014.

Our Board has approved this Prospectus at its meeting held on 8th December, 2014.

We have received approval from BSE vide letter dated 18th November, 2014 to use the name of BSE in this offer document for listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

PROHIBITION BY SEBI

The Company, its Promoters, its Directors or any of the Company's Associates or Group Companies and companies with which the Directors of the Company are associated as Directors or Promoters, or Directors or Promoters in control of, of the promoting Company, are currently not prohibited from accessing or operating in the capital market under any order or direction passed by SEBI.

PROHIBITION BY RBI

Our Company, our Promoters, Promoting Companies, their relatives, Group Concerns and Associate Companies have not been identified as willful defaulters by the RBI or any other government authorities.

ELIGIBILITY FOR THE ISSUE

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital exceeds ten crores rupees but do not exceed twenty five crores rupees shall issue its specified securities in accordance with provisions of chapter XB Issue of specified securities by small and medium enterprises] of ICDR regulations. (In this case being the "SME Platform of BSE").

We confirm that:

a) In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to "General Information – Underwriting" on page 30 of this Prospectus.

b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.

c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue.



For further details of the arrangement of market making please refer to “General Information – Details of the Market Making Arrangements for this Issue” on page 30 of this Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

BSE ELIGIBILITY NORMS: ([www. http://www.bsesme.com/aboutpublicissue.aspx](http://www.bsesme.com/aboutpublicissue.aspx))

1. Net Tangible assets of at least Rs. 1 crore as per the latest audited financial results

Our Company has Net Tangible Assets of Rs. 541.13 Lacs, which is in excess of Rs. 1 Crore as per the latest audited annual financial results. Our Net Tangible Assets for the year ended March 31, 2014 are disclosed as under:

(Rs. Lacs)

| Particulars | 31.03.2014 |
|---|-------------------|
| Fixed Assets- Net Block | 10.28 |
| Deposits / Long Terms Loans & Advances | 114.00 |
| <i>Current Assets, Loans and Advances:</i> | |
| Receivables | 98.80 |
| Inventories | - |
| Cash & Bank Balances | 24.50 |
| Short Term Loans & Advances | 295.43 |
| Other Assets | 0.01 |
| Total Assets (A) | 543.02 |
| <i>Less: Current Liabilities & Provisions:</i> | |
| Current Liabilities | 0.69 |
| Provisions | 1.20 |
| Total Current Liabilities & Provisions (B) | 1.89 |
| Net Tangible Assets (A-B) | 541.13 |

Net tangible assets are defined as sum of Fixed Assets (including capital work in progress and excluding revaluation reserve), trade investments and current assets (excluding deferred tax assets and intangible assets as defined in AS-26 issued by ICAI) less current liabilities & Provisions.

2. Net worth (excluding revaluation reserves) of at least Rs. 1 crore as per the latest audited financial results

Our Company satisfies the above criteria. Our Net Worth as per the restated audited annual financial statements for the year ended March 31, 2014 is as under:

(Rs. Lacs)

| Particulars | 31.03.2014 |
|---|-------------------|
| Share Capital | 478.35 |
| <i>Add: Reserves & Surplus</i> | 6.17 |
| <i>Less: Preliminary Expenses to the extent written off</i> | 7.48 |
| Net Worth | 477.04 |

Net worth includes Equity Share Capital and Reserves, (Net of Miscellaneous Expenditure not written off, if any.)

3. Track record of distributable profits in terms of sec. 205 of Companies Act, 1956 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12



months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least Rs. 3 Crores.

Our Company has distributable profits in terms of sec. 205 of Companies Act, 1956, as detailed below:
(Rs. In Lacs)

| Particulars | 31.03.14 | 31.03.13 | 31.03.12 |
|-------------|----------|----------|----------|
| Net Profit | 4.26 | 1.54 | 0.88 |

In addition to that we have a net worth of Rs. 477.04 Lacs as on 31st March, 2014

4. Other Requirements

i. The post-issue paid up capital of the company shall be at least Rs. 1 crore.

As on the date of Prospectus i.e. 8th December, 2014, Our Company has a paid up capital in Rs. 902.70 Lacs, which is in excess of Rs. 1 crore, and the Post Issue Capital shall also be in excess of Rs. 1 crore.

ii. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.

Our Company has entered into tripartite agreements with CDSL and NSDL for facilitating trading in dematerialized mode.

iii. Companies shall mandatorily have a website

The company has functional website i.e. www.amsonsapparels.com

5. Certificate from the applicant company / promoting companies stating the following:

a. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

b. There is no winding up petition against the company that has been accepted by a court.

There is no winding up petition against our Company that has been accepted by a court or liquidator has been appointed.

c. There is 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.

There is 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.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, BCB BROKERAGE PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR



THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, BCB BROKERAGE PRIVATE LIMITED HAS FURNISHED, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 17, 2014 WHICH READS AS FOLLOWS:

- 1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;
- 2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
 - (A) THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (C) THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED) THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- 3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
- 4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
- 5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS 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 PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
- 6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.



- 7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE.
- 8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
- 9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.
- 10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
- 11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
- 12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
- 13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
- 14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
- 15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.



- 16) WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR. –NOT APPLICABLE
- 17) THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT 1956 (SECTION 34 OR SECTION 36 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 LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.- NOTED
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.-NOTED
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION
- (6) OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. – NOT APPLICABLE
- (7) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

Note: The filing of this Prospectus does not, however, absolve our Company from any liabilities under section 34, section 35, section 36 or section 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up at any point of time, with the Lead Manager any irregularities or lapses in the offer Document.

All Legal requirements pertaining to the issue will be complied with at the time of Registration of the Prospectus with the Registrar of Companies, National Capital Territory of Delhi & Haryana in terms of section 26 and 32 of Companies Act, 2013.

- (8) WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY



**PRECEDING THE MONTH OF THE FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES. – NOT APPLICABLE
DISCLAIMER CLAUSE OF BSE**

BSE Limited (“BSE”) has given vide its letter dated 18th November, 2014, permission to this Company to use its name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter for 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 document; or
- ii. Warrant that this company’s securities will be listed or will continue to be listed on BSE; or
- iii. Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this 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.

For details regarding the track record of the Lead Manager to the Issue, please refer to the website of the Lead Manager: www.bccbrokerage.com

CAUTION

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU for Issue Management entered into among the Lead Manager and our Company dated 2nd September, 2014, the Underwriting Agreement 31st October, 2014 entered into among the Underwriters and our Company and the Market Making Agreement dated 31st October, 2014 entered into among the Lead Manager, Market Maker and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers or elsewhere.

Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.



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 the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds}. This Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with 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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

FILING

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the SEBI Northern Regional Office, 5th Floor, Bank of Baroda Bldg, 16 Sansad Marg, New Delhi- 110001. A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the ROC situated at 4th Floor, IFCI Tower, 61, Nehru Palace, New Delhi- 110019.

LISTING

Application shall be made to BSE Limited for obtaining permission for listing of the Equity Shares being offered and sold in the SME Platform of BSE. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

The BSE has given its approval for listing our shares vide its letter dated 18th November, 2014. If the permission to deal in and for an official quotation of the Equity Shares is not granted by the SME Platform of BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. 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 at the rate of 15% *per annum* on application money, as prescribed under Section 40 of the Companies Act, 2013. Our Company shall ensure that all steps for the completion of the



necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 12 Working Days of the Issue Closing Date.

CONSENTS

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer and the Statutory Auditors and (b) the Lead Manager, Market Makers, Underwriters, Bankers to the Issue, Registrar to the Issue, the Legal Advisors to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. S A Jain & Associates, Chartered Accountants, the Auditors of the Company have agreed to provide their written consent to include its report on statement of fund deployed as on 31st August, 2014 dated 1st September, 2014 and statement of tax benefits dated 1st September, 2014 relating to the possible tax benefits as applicable. M/s. Gupta Rautela & Co., Peer Review Auditors have agreed to provide their written consent to include their report dated 20th November, 2014 on restated financial statements, which may be available to the Company and its shareholders, included in this 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 the Prospectus.

EXPERT OPINION

The Company has not obtained any opinions from an expert as per the Companies Act.

PUBLIC ISSUE EXPENSES

The Management estimates an expense of Rs. 50 Lacs towards Issue expense. The expenses of this Issue include, among others, underwriting and management fees, market making fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated Issue expenses are as follows:

| No. | Particulars | Amount (Rs. In Lacs) |
|--------------|--|-------------------------|
| 1. | Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses. | 30.00 |
| 2. | Printing & Stationery, Distribution, Postage, etc | 7.00 |
| 3. | Advertisement & Marketing Expenses | 10.00 |
| 4. | Regulatory & other expenses | 3.00 |
| Total | | 50.00 |

DETAILS OF FEES PAYABLE

| Particulars | Amount (Rs. in Lacs) | % of Total Issue Expenses | % of Total Issue Size |
|--|----------------------------|------------------------------------|--------------------------------|
| Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses. | 30.00 | 60.00 | 9.23 |
| Printing & Stationery, Distribution, Postage, etc | 7.00 | 14.00 | 2.15 |
| Advertisement & Marketing Expenses | 10.00 | 20.00 | 3.08 |
| Regulatory & other expenses | 3.00 | 6.00 | 0.92 |



| Particulars | Amount (Rs. in Lacs) | % of Total Issue Expenses | % of Total Issue Size |
|--------------------|-------------------------------------|--|--|
| Total | 50.00 | 100.00 | 15.38 |

FEES PAYABLE TO LEAD MANAGER TO THE ISSUE

The total fees payable to the Lead Manager will be as per the Engagement Letters from our Company and Lead Manager and Memorandum of Understanding signed with the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable by the Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/ refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company, copy of which is available for inspection at the Registered Office of our Company.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and the selling commission for the Issue are as set out in the Underwriting Agreement amongst the Company and Underwriters. The underwriting commission shall be paid as set out in the Underwriting Agreement based on the Issue price and the amount underwritten in the manner mentioned on page 30 of this Prospectus.

COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES

Since this is the Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

CAPITAL ISSUE DURING THE LAST THREE YEARS

Amsons Apparels Limited and its Group Companies have not made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

PREVIOUS PUBLIC OR RIGHTS ISSUE

There have been no public or rights issue by our Company during the last five years.

PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH

Except as stated in the section titled "Capital Structure" on page 26 of this Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

PROMISE VIS-À-VIS PERFORMANCE

Our Company has not made any public or rights issue since its inception.



PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1) (B) OF THE COMPANIES ACT, 1956 / SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

There are no listed companies under the same management within the meaning of Section 370(1)(b) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 that made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Prospectus.

STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

The Company has appointed Beetal Financial & Computer Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely, Beetal Financial & Computer Services Private Limited, will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor. The Company assures that the Board of Directors in respect of the complaints, if any, to be received shall adhere to the following schedules:

| Sr. No. | Nature of Complaint | Time Table |
|----------------|---|--|
| 1. | Non-receipt of refund | Within 7 days of receipt of complaint subject to production of satisfactory evidence |
| 2. | Non receipt of share certificate/Demat Credit | Within 7 days of receipt of complaint subject to production of satisfactory evidence |
| 3. | Any other complaint in relation to Public Issue | Within 7 days of receipt of complaint with all relevant details. |

Redressal of investors' grievance is given top priority by the Company. The Committee oversees redressal of complaints of shareholders/investors and other important investor related matters. The Company has adequate arrangements for redressal of investor complaints as follows:

Share transfer/ dematerialization/ rematerialization are handled by professionally managed Registrar and Transfer Agent, appointed by the Company in terms of SEBI's direction for appointment of Common Agency for physical as well as demat shares. The Registrars are constantly monitored and supported by qualified and experienced personnel of the Company.

We have appointed Mr. Sachin Verma as Company Secretary and Compliance Officer and she may be contacted in case of any pre-issue or post-issue problems. She can be contacted at the following address:



Mr. Sachin Verma
Company Secretary & Compliance Officer
No. 116, First Floor, Hemkunt Chamber,
89, Nehru Place,
New Delhi – 110 019
Tel:+91-11-3231 7247
Email: amsonsapparels@yahoo.com

CHANGES IN AUDITORS

Except as stated below there has been no change in the auditors of our Company for the last three years.

| Financial year | Particular of Changes | Reason |
|----------------|--|---|
| 2011-12 | M/s Viresh Rai & Associates Chartered Accountants have been appointed in the place M/s Gyan Shankar & Associates | M/s Gyan Shankar & Associates wished to resign due to their pre-occupation. |
| 2013-14 | M/s S A Jain & Associates Chartered Accountants have been appointed in the place M/s Viresh Rai & Associates. | M/s Viresh Rai & Associates wished to resign due to their pre-occupation. |

CAPITALIZATION OF RESERVES OR PROFITS DURING LAST FIVE (5) YEARS

Our Company has not capitalized any reserve during last five (5) years.

REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS

Our Company has not revalued its assets during the last five (5) years.



SECTION VII

ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009 our Memorandum and Articles of Association, the terms of the Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to the section titled “Main Provisions of the Articles of Association of the Company” on page 149 of this Prospectus.

AUTHORITY FOR THE PRESENT ISSUE

The Issue has been authorized by a resolution of the Board passed at their meeting held on 17th July, 2014 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 Extra-Ordinary General Meeting of the Company held on 24th July, 2014.

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (“**CAN**”) and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, SME platform of BSE, ROC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. For further details, please refer to the section titled “Dividend Policy” on page 91 of this Prospectus.

FACE VALUE AND ISSUE PRICE

The Equity Shares having a Face Value of Rs. 10/- each are being offered in terms of this Prospectus at the price of Rs. 10/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Basis of Issue Price” on page 47 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

RIGHTS OF THE EQUITY SHAREHOLDERS



Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 2013 and the Memorandum and Articles of Association of the Company.

MINIMUM APPLICATION VALUE; MARKET LOT AND TRADING LOT

As per the provisions of the Depositories Act, 1996, the shares of a body corporate can be in dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

The investors have an option either to receive the security certificate or to hold the securities with depository.

The trading of the Equity Shares will happen in the minimum contract size of 10000 Equity Shares and the same may be modified by BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 10000 Equity Share subject to a minimum allotment of 10000 Equity Shares to the successful applicants.

MINIMUM NUMBER OF ALLOTTEES

The minimum number of Allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective Allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of Issue.

JOINT HOLDERS

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 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, 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, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:



- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

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 us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level.

This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of 10000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please refer to the section titled "*Main Provisions of the Articles of Association of the company*" on Page 149 of this Prospectus.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

Allotment of Equity Shares in the Issue will be made only in dematerialized form.

MIGRATION TO MAIN BOARD

Our Company may migrate to the main board of BSE from SME platform of BSE on a later date subject to the following:

a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than Promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board.

OR



b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME platform for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to “*General Information – Details of the Market Making Arrangements for this Issue*” on page 30 of this Prospectus.

NEW FINANCIAL INSTRUMENTS

The Issuer Company is not issuing any new financial instruments through this Issue.

WITHDRAWAL OF THE ISSUE

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- (i) The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and
- (ii) The final RoC approval of the Prospectus after it is filed with the RoC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in New Delhi, India.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

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

**ISSUE STRUCTURE**

This Issue is being made in terms of Regulation 106(M)(2) of Chapter X-B of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, An issuer whose post-issue face value capital exceeds ten crores rupees but do not exceed twenty five crores 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 an Issue please refer the section titled “*Terms of the Issue*” and “*Issue Procedure*” on page 126 and 132 of this Prospectus.

Following is the Issue structure:

Public Issue of 32,50,000 equity shares of Rs. 10/- each (the “Equity Shares”) for cash at a price of Rs. 10/- per Equity Share aggregating to Rs. 325.00 Lacs (“the Issue”) by Amsons Apparels Limited (“AAL” or the “Company” or the “Issuer”).

The Issue comprises reservation of 1,70,000 Equity Shares for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of 30,80,000 Equity Shares (“the Net Issue”).

| Particulars of the Issue | Net Issue to Public* | Market Maker Reservation Portion |
|--|---|---|
| Number of Equity Shares available for allocation | 30,80,000 Equity Shares | 1,70,000 Equity Shares |
| Percentage of Issue Size available for allocation | 94.77% of the Issue size | 5.23% of the Issue size |
| Basis of Allotment | Proportionate subject to minimum allotment of 10000 Equity Shares and further allotment in multiples of 10000 Equity Shares each. For further details please refer to the section titled “ <i>Issue Procedure – Basis of Allotment</i> ” on page 138 of this Prospectus. | Firm Allotment |
| Mode of Application | For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form. | Through ASBA Process Only |
| Minimum Application Size | For QIB and NII: Such number of Equity Shares in multiples of 10000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/- For Retail Individuals: 10,000 Equity Shares | 1,70,000 Equity Shares |
| Maximum Application Size | For QIB and NII: Such number of equity shares in multiples of 10000 Equity Shares such that the Application Size does not exceed 30,80,000 Shares. For Retail Individuals: Such number of Equity Shares in | 1,70,000 Equity Shares |



| Particulars of the Issue | Net Issue to Public* | Market Maker Reservation Portion |
|--------------------------|--|--|
| | multiples of 10000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-. | |
| Mode of Allotment | Dematerialized Form Only | Dematerialized Form Only |
| Trading Lot | 10000 Equity Shares | 10000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009. |
| Terms of Payment | The entire Application Amount will be payable at the time of submission of the Application Form. | |

*50 % of the shares offered are reserved for applications below Rs. 2 Lacs and the balance for higher amount applications.

WITHDRAWAL OF THE ISSUE

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and
2. The final RoC approval of the Prospectus after it is filed with the RoC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

| | |
|---------------------------|---------------------------------------|
| ISSUE OPENING DATE | 16TH DECEMBER, 2014 |
| ISSUE CLOSING DATE | 22ND DECEMBER, 2014 |

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



ISSUE PROCEDURE

FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Regulation 106(M) (2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit to them the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialization form. As per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialization form only. The Equity Shares on allotment will be traded only on the dematerialization segment of the SME Platform of BSE.

APPLICATION FORM

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. Upon completing and submitting the Application Form to the Bankers, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed color of the Application Form for various categories is as follows:

| Category | Color of Application Form |
|---|----------------------------------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis | White |
| Non-Residents and Eligible NRIs applying on a repatriation basis | Blue |

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

WHO CAN APPLY?

Persons eligible to invest under all applicable laws, rules, regulations and guidelines;

Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;

Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First



applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Applications by HUFs would be considered at par with those from individuals;

Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;

Mutual Funds registered with SEBI;

Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;

Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);

FIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;

Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;

Sub-accounts of FIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;

Venture Capital Funds registered with SEBI;

Foreign Venture Capital Investors registered with SEBI;

State Industrial Development Corporations;

Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;

Scientific and/or Industrial Research Organizations authorized to invest in equity shares;

Insurance Companies registered with Insurance Regulatory and Development Authority, India;

Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

Multilateral and Bilateral Development Financial Institutions;

National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;

Insurance funds set up and managed by army, navy or air force of the Union of India

As per the existing regulations, OCBs cannot participate in this Issue.

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 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.



PARTICIPATION BY ASSOCIATES OF LM

The LM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the LM may subscribe for Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centers of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of SME Platform of BSE Limited i.e. www.bsesme.com.

OPTION TO SUBSCRIBE IN THE ISSUE

- a. Investors will have the option of getting the allotment of specified securities either in physical form or in dematerialization form.
- b. The equity shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

APPLICATION BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

APPLICATIONS BY ELIGIBLE NRIS/FII'S ON REPATRIATION BASIS-

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.



The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

AS PER THE CURRENT REGULATIONS, THE FOLLOWING RESTRICTIONS ARE APPLICABLE FOR INVESTMENTS BY FIIS:

- The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid-up capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital of the Company or 5% of the total issued capital, in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our Company, such investment must be made out of funds raised or collected or brought from outside India through normal banking channels and the investment must not exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that effect by its shareholders in their general meeting. As of the date of the Prospectus, no such resolution has been recommended to the shareholders of our Company for adoption.
- Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 ("SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the LM that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

APPLICATIONS BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

- The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.



APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "**IRDA Investment Regulations**"), are broadly set forth below:

- (a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and
- (c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, *i.e.* 26th December, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a). With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b). With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.



(c). With respect to applications made by provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form . Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form , subject to such terms and conditions that our Company , the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

MAXIMUM AND MINIMUM APPLICATION SIZE

(a) For Retail Individual Applicants

The Application must be for a minimum of 10,000 Equity Shares and in multiples of 10,000 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

(b) For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 200,000 and in multiples of 10,000 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 and Non-Institutional Applicant cannot withdraw or lower the size of its Application at any stage.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

INFORMATION FOR THE APPLICANTS:

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the registered office of the LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the Name of Minors and/or their nominees shall not be accepted.



- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Chennai.

APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the LM or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

BASIS OF ALLOTMENT

Allotment will be made in consultation with BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 10,000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 10,000 equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.



4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 10,000 equity shares, the number in excess of the multiple of 10,000 would be rounded off to the higher multiple of 10,000 if that number is 5000 or higher. If that number is lower than 5000, it would be rounded off to the lower multiple of 10,000. All Applicant in such categories would be Allotted Equity Shares arrived at after such rounding off.

5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 10,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.

6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

- a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
- b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
- c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.
- d) As per Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 as amended, if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

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, 2009.

REFUNDS

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.



Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non-Residents, NRIs, FIIs and foreign venture capital funds and all Non-Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

TERMS OF PAYMENT / PAYMENT INSTRUCTIONS

The entire Issue Price of Rs. 10/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, The Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stockinvest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - Indian Public including eligible NRIs applying on non repatriation basis: "AAL –Public Issue - R".
 - In case of Non Resident Retail Applicants applying on repatriation basis: "AAL –Public Issue - NR"
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non Resident Ordinary (NRO) Account of Non Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
4. On the Designated Date and no later than 12 working days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.



PAYMENT BY STOCK INVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

OTHER INSTRUCTIONS

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.



iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("**PAN**") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

GROUND FOR REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of The Issue;
- Applications for number of Equity Shares which are not in multiples of 10000;
- Category not ticked;
- Multiple Applications as defined in this Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;



- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 5.00 pm on the Issue Closing Date;

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities: or**
- (b) makes or abets making of multiple applications to the company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- (c) otherwise includes 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 companies Act, 2013.**

SIGNING OF UNDERWRITING AGREEMENT

Vide an Underwriting agreement dated 31st October, 2014 this issue is 100% Underwritten.

FILING OF THE PROSPECTUS WITH THE ROC

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 of the Companies Act.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 12 working days of the Issue Closing Date.

After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to



the Allottees shall be within two working days of the date of Allotment Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 12 working days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Applicants.

PAYMENT OF REFUND

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) **ECS (Electronic Clearing System)** – Payment of refund would be done through ECS for applicants having an account at any of the centers where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of such centers, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
- 2) **Direct Credit** – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
- 3) **RTGS (Real Time Gross Settlement)** – Applicants having a bank account at any of the centers where such facility has been made available and whose refund amount exceeds 10.00 Lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
- 4) **NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.



- 5) **For all other applicants**, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Applicants.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 working days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 12 working days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 12 working days of closure of the issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 12 (twelve) working days of the Issue Closing Date;
- 2) Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 (twelve) working days of the Issue Closing Date would be ensured; and
- 3) The Company shall pay interest at 15% p.a. for any delay beyond the 12 (twelve) working days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 12 (twelve) working days time.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

- 1) That the complaints received in respect of this Issue shall be attended to by us expeditiously;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 12 (twelve) working days of closure of the Issue;
- 3) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 (twelve) working days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That the letter of allotment/ refund orders to the non-resident Indians shall be dispatched within specified time; and
- 6) That no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.



- 7) The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet 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 head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

WITHDRAWAL OF THE ISSUE

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and
2. The final RoC approval of the Prospectus after it is filed with the RoC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

(a) Agreement dated 15th October, 2014 between NSDL, the Company and the Registrar to the Company i.e. Beetal Financial & Computer Services Private Limited;

(b) Agreement dated 8th October, 2014 between CDSL, the Company and the erstwhile Registrar to the Company i.e. Beetal Financial & Computer Services Private Limited;

The Company's shares bear an ISIN No. INE812P01018

- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.



- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

COMMUNICATIONS

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA PROCESS

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“**ASBA Account**”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM. ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.



Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB. Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue. The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.



SECTION VIII

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

CAPITAL

1. The Authorised Share Capital of the Company is as per clause V of the Memorandum of Association of the Company with all rights to the company to alter the same in any way it thinks fit.

INCREASE OF CAPITAL BY THE COMPANY AND HOW CARRIED INTO EFFECT

2. The Company in General Meeting may by Ordinary Resolution, from time to time increase the capital by creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increase capital shall be issued upon such terms and conditions and with such rights and privileges attached thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the directors shall determine and in particular such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at General Meetings of the Company in conformity with section 87 and 88 of the Act, whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.
4. The shares in the capital shall be distinguished by its appropriate number, provided that nothing in this section shall apply to the shares held with a depository.

INCREASE OF CAPITAL

5. The Company in General Meeting may from time to time increase its share capital by the creation of further shares, such increase to be of such aggregate amount and to be divided into shares of such respective amount as the resolution shall prescribe. Subject to the provisions of the Act, the further shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Board shall determine.

FURTHER ISSUE OF SHARES

6.
 - 1) Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the unissued capital or out of the increased share capital then:
 - a. Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
 - b. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
 - c. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.



PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

- d. After 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 off them in such manner and to such person(s) as they may think, in their sole discretion fit.
- 2) Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub clause (1) hereof in any manner whatsoever.
 - a. If a special resolution to that effect is passed by the Company in General Meeting, or
 - b. Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposer by members, so entitled and voting and Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.
 - 3) Nothing in sub-clause © of (1) hereof shall be deemed:
 - a. To extend the time within which the Offer should be accepted; or
 - b. To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made had declined to take the shares comprised in the renunciation.

Nothing in the Article 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 loans raised by the Company:

- 4) To convert such debentures or loans into shares in the Company; or
- 5) To subscribe for shares in the Company whether such options is conferred in these Articles or otherwise.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;

- a. Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or in conformity with the rules, if any, made by that Government in this behalf;
- b. In the case of debentures or loans or other than debentures issued or loans obtained from Government or any Institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in general meeting before the issue of debentures or raising of the loans.

REDUCTION OF CAPITAL

7. The Company may, subject to the provisions of Section 78, 80 and 100 to 105 and other applicable provisions (if any) of the Act, from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular, capital may be paid off on the footing that it may be called up again or otherwise.

CONSOLIDATION AND DIVISION OF CAPITAL

8. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:



- a. Consolidate and divide all or any of its share capital into shares of large amount than its existing shares.
- b. Sub-divide its shares or any of them into shares of smaller amount so however that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived.
- c. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled, a cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act.

MODIFICATION OF RIGHTS

9. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 106 and 107 of the Act, be varied, modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf o that class provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a resolution passed by the votes of not less than three-fourths of the votes of the holders of the shares of that class at a separate general meeting of the holders of shares of that class and all the provisions contained in these Articles to its general meetings shall mutatis mutandis apply to every such meeting. This Article is not to derogate from any power, the Company would have if this Article were omitted.

ISSUE OF FURTHER SHARES ON PARI PASSU BASIS

10. The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

18A.

- a. **“Power to Company to dematerialize and rematerialize”**

“Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under if any”

- b. **Dematerialization of Securities**

Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

- c. **“Intimation to Depository”**

“Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities”

- d. **“Option for Investors”**

“Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a



Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.”

e.. “The Company the recognize under Depositories Act, Interest in the Securities other than that of Registered holder.”

“The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.”

a. “Securities in Depositories and Beneficial Owners”

“All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.”

g. “Rights of depositories and Beneficial Owners.”

a. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

b. Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

c. Every person holding securities of the Company and whose name if entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.”

h. Depository to furnish information

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may e specified by the bye-laws and the Company in that behalf.

SHARES AND CERTIFICATES

27. LIMITATION OF TIME FOR ISSUE OF CERTIFICATE

The Company shall, unless the conditions of issue otherwise provide, within three months after the allotment of any of its shares or debentures and within one month after the application for the transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred.

28A. LIMITATION OF TIME FOR ISSUE OF CERTIFICATES

Every members 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 to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month 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 certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to all such holder.



CALLS

37. DIRECTORS MAY MAKE CALLS

The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

TRANSFER AND TRANSMISSION OF SHARES

65. REGISTER OF TRANSFER

The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

66. EXECUTION OF TRANSFER

Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

67. INSTRUMENT OF TRANSFER

The instrument of transfer shall be in writing and all the provisions of section 108 of the Act and any statutory modification thereof, for the time being, shall be duly complied with in respect of all transfers of shares and of the registration thereof.

67A. (i) Every holder of the share(s) in, and / or debenture(s) of the Company, may at any time nominate, in the manner prescribed under the Act, a person to whom his share(s) in, and/or debenture(s) of the Company, shall vest in the event of his death.

(ii) Where the share(s) in, and/or debenture(s) of the Company, are held by more than one person jointly, all the joint-holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint holders.

(iii) Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of such share(s) in, and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in, and/or debenture(s) of the Company, the nominee shall, on the death of the shareholder and/or debenture-holders concerned or on the death of all the joint-holders, as the case may be, become entitled to all the rights in relation to such share(s) in and/or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.

(iv) Where the nominee is a minor, the holder of the share(s) in, and/or debenture(s) of the Company, can make a nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) in, and/or debenture(s) of the Company, in the event of his death, during the minority.

(v) Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 67A, upon the production of such evidence as may be required by the Board and subject as herein after provided, may elect either;

- a. to be registered himself as holder of the share(s) and/or debenture(s), as the case may be; or
- b. to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debenture-holder, as the case may be, could have made.



If the person being a nominee, so becoming entitled, elects to be registered as holder of the share(s) and/or debenture(s) himself, he shall deliver or send to the Company, a notice in writing duly signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder and/or debenture-holder, as the case may be.

(vi) All the limitations, restrictions and provisions of the Act, relating to the right to transfer and the registration of transfer of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/debenture holder had not occurred and the notice or transfer were a transfer signed by that shareholder and/or debenture-holder as the case may be.

(vii) A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and/or debenture(s), except that he shall not, before being registered a member in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that, the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/or debenture(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share(s) and/or debenture(s), until the requirements of the notice have been complied with.

68. NO TRANSFER TO A PERSON OF UNSOUND MIND

No transfer shall be made to a minor or a person of unsound mind.

69. TRANSFER OF SHARES

1. An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.

2. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

3. For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

4. DIRECTORS MAY REFUSE TO REGISTER TRANSFER

Subject to the Provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

5. If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which instrument of transfer or the intimation of transmission, as the case may be, was delivered to the Company, sends notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.

6. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

7. NO FEE ON TRANSFER OR TRANSMISSION

No fee shall be charged for registration of transfer, transmission, Probate, Succession, Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.



70. TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN

Every instruments of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

71. WHEN TRANSFER TO BE RETAINED

All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall, on demand, be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than six years as it may determine.

72. TRANSFER BOOKS WHEN ENCLOSED

The Board may after giving not less than seven days previous notice by advertisement as required by Section 154 of the Act, close the Register or Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate, 45(forty five) days in each year but not exceeding 30 days at any one time.

73. DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES

In the case of death of any one or more of the persons named in Register of Members as joint shareholders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a joint shareholder from any liability to the Company on shares held by him jointly with any other person.

74. TITLE TO SHARES OF DECEASED HOLDER

Subject to Article 74 the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained letters of administration or succession certificate.

75. TRANSMISSION OF SHARE

Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board think sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

76. BOARD MAY REFUSE TO TRANSMIT

The Board shall, subject to he provisions of Article 68 hereof, have the same right to refuse on legal grounds to register a person entitled by transmission to any share or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

77. BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION

Every transmission of share shall be verified in such manner as the Board may require and if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be verified on requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.

78. TRANSFER BY LEGAL REPRESENTATION

A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of instrument of transfer.

79. CERTIFICATE OF TRANSFER



The Certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prime facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures.

80. THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission 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 any may have entered such notice or referred 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 books 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 shall so think fit.

A. NOMINATION

(i) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.

(ii) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the act.

(iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares of debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.

(iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

“OPTION OF NOMINEE

i. A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-(a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be

(ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

80B. TRUST NOT RECOGNISED



Save as herein otherwise provided, the Company shall be entitled to treat the person whose names) appears on the Register of Members/Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares/debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decided to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them.

80C. TRANSFER OF SECURITIES

Nothing contained in Section 108 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 depository.

80D. NOTICE OF APPLICATION WHEN TO BE GIVEN

Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

80E. REFUSAL TO REGISTER NOMINEE

Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

80F. PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER

A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

MEETING OF MEMBERS

85.

- a) Subject to Section 166 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, subject however to the right of the Registrar, under the Act, to extend the time within which any Annual General Meeting may be held.
- b) Every Annual General Meeting shall be called for at a time during business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated.

86. The Company shall in accordance with Section 159 of the Act, within 60 day from the day on which the Annual General Meeting is held, prepare and file with the Registrar a return in the form set out in part II of Schedule V to the Act or as near thereto as the circumstance shall admit and containing the particulars specified in part I of the said Schedule V together with three copies of the Balance Sheet and the Profit and Loss Account laid before the Annual General Meeting in accordance with Section 220 of the Act.

Distinction between Annual General Meeting and Extra-ordinary General Meeting

87. The General Meeting referred to in Article 86 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

Calling of Extra-ordinary General Meeting

88. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting of the Company and it shall, on the requisition of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid forthwith proceed to convene an Extra-Ordinary General Meeting of the



Company and in the case of such requisition, the provision of Section 169 of the Act shall apply. No shareholder or shareholders shall call a meeting of the Company except by or upon a requisition as herein provided.

Length of notice for calling meeting

89.

- (1). A General Meeting of the Company may be called giving not less than twenty one days notice in writing.
- (2) A General Meeting may be called after giving shorter notice than the specified in sub-clause (1) hereof, if consent is accorded thereof.
 - (i) in the case of an Annual General Meeting, by all the members entitled to vote thereat: and
 - (ii) in the case of any other meeting, by members of the Company holding not less than ninety five per cent of such part of the paid up share capital of the Company as gives a right to vote at that meeting.

Provided that where any members of the Company are entitled to vote on some resolution to be moved at the meeting and not on the others, those members shall be taken into the account for the purpose of this sub-clause in respect of the former resolution or resolutions and not in respect of the later.

Contents and manner of services of notices and person on whom it is to be served

90. (1) Every notice of the meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(2) Notice of every meeting of the Company shall be given:

- (i) to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act.
- (ii) to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to 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 so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred: and
- (iii) To the auditor or auditors for the time being of the Company in any manner authorised by Section 53 of the Act, in the case of any member of members of the Company.
- (iv) PROVIDED that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the registered office of the Company under sub-section (3) of section 53 of the Act, the statement of material facts referred to in Section 173 of the Act, need not be annexed to the notice as required by that section, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(3) The accidental omission to give notice to or non receipt of notice by any member or other person to whom it should be given shall not, invalidate the proceedings at the meeting.

(4) Every notice convening a meeting of the Company shall state in that a member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and that a proxy need not be a Member of the Company.

Special business

91. All business to be transacted at an Annual General Meeting with the exception of businesses relation to (i) the consideration of the accounts, balance sheets and reports of the Board of Directors and Auditors, (ii) the declaration of the dividend, (iii) the appointment of Directors in place of those retiring and (iv) the appointment of and the remuneration of Auditors and all business to be transacted at any other meetings of the Company shall be deemed Special.

Explanatory Statement to be annexed to notice

92. Where any items of business to be transacted at any meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of meeting an explanatory statement setting out all material facts concerning each item of business including in particular the nature and extend of the interest, if any, therein, of every



Director and of the Manager and specifying where any item of business consists of the according of approval to any document by the meeting, the time and place, where the document can be inspected.

PROVIDED that where any such item of special business at the meeting of the Company related to or affects any other company, the extent of shareholding interest in that other company of every Director of the Company, shall also be set out in the statement, if the extent of such shareholding interest is not less than 20 per cent of the paid up share capital of that other company.

Meeting not competent to discuss or transact any business not mentioned in notice

93. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

Quorum

94. Five members entitled to vote and present in person shall be a quorum for a General Meeting. When more than one of the joint holders of a share is present not more than one of them shall be counted for determining the quorum. Several executors or administrators of a deceased person in whose sole name a share stands shall, for the purpose of this Article, be deemed joint holders thereof. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India, or the Governor of a State being member of the Company shall be deemed to be personally present if he is represented in accordance with Section 187A of the Act.

Presence of quorum

95. No business shall be transacted at any General Meeting unless the requisite quorum shall be present at the commencement of the business.

If Quorum not present, meeting to be dissolved and when to be adjourned

96. If within half an hour from the time appointed for holding the meeting a quorum is not present, the meeting, if called upon the requisition of members shall stand dissolved but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or if that day is a public holiday, or to such other day, time and place as the Board may determine.

97. If at the adjourned meeting, a quorum is not present within half an hour from the time appointed for holding the meeting the members present shall be a quorum and may transact the business for which the meeting was called.

Resolution passed at adjourned meeting

98. Where a resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

Power of adjourn General Meeting

99. (1) The Chairman of the General Meeting may adjourn the same from time to time and from place to place, but not business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(2) 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.

(3) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

Chairman of General Meeting



100. The Chairman of the Board shall, if willing, preside as Chairman at every General Meeting, Annual or Extraordinary, if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declined to take the Chair, the Directors present may choose one of their members to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the Chair, members shall, on a show of hands elect one of their numbers to be Chairman, of the meeting, if a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.

Business confined to election of Chairman while chair vacant

101. No business shall be discussed at any General Meeting except the election of a Chairman while the chair is vacant.

Resolution must be proposed and seconded

102. No resolution submitted to a meeting, unless proposed by the Chairman of the meeting shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

Postal Ballot

102A The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.

How question to be decided at meetings

103. At any General Meeting, a resolution put to the vote of the meeting, shall be, decided on a show of hands unless the poll is demanded as provided in these Articles.

Declaration of Chairman to be conclusive

104. A declaration by the Chairman that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

105. (1) Before or on the declaration of the result of the voting on any resolution on a show hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on demand made in that behalf by the person or persons specified below, that is to say:

by any member or members present in person or by proxy and holding shares in the Company:

I. which confer a power to vote on the resolution not being less than one-tenth to the total voting power in respect of the resolution or

II. on which an aggregate sum of not less than fifty thousand has been paid up.

(2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking Poll

106. Any poll duly demanded on the question of adjournment shall be taken forthwith, a poll demanded on any other question shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the Chairman of the meeting may direct.

Scrutineers at Poll

107. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him, the Chairman shall have power, at any time, before the result of the



poll is declared to remove a scrutineer from office and to fill vacancies of the office of scrutineer arising from such removal or from any other cause of the two scrutineers so to be appointed, one shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and is willing to be appointed.

Business may proceed notwithstanding demand for Poll

108. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Chairman's casting vote

109. In the case of equality of votes, the Chairman shall, both on a show of hands and on a poll, have a second or casting vote in addition to the vote or votes to which he may be entitled as a member.

Manner of taking poll and result thereof

110. (a) Subject to the provisions of the Act the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

110A. Requisitionists' meeting

(1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:-

(a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.

(b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.

(2) The number of Members necessary for a requisition under clause (1) hereof shall be (a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or

(b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one lac in all.

(3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.

(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:

(a) A copy of the requisition signed by, the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.

(i) In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting.

(ii) the case of any other requisition, not less than two weeks before the Meeting, and

(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto.

PROVIDED THAT if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof.



(5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.

(6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.

110B. Extra-ordinary General Meeting by Board and by Requisition.

(a) The Directors may whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.

(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

110C. Contents of requisition, and number of requisitionists required and the conduct of Meeting

(1) In case of requisition the following provisions shall have effect:

(a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.

(b) The requisition may consist of several documents in like form each signed by one or more requisitionists.

(c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.

(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clauses are fulfilled.

(e) If the Board does not within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed, duly to call a Meeting for consideration of those matters on a day not later than forty-five days from the date of the date deposit of the requisition, the Meeting may be called:

(i) By the requisitionists themselves; or

(ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (1) which ever is less, PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.

(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:

(a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but

(b) shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.

(3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.

(4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

VOTES OF MEMBERS



111. Votes may be given by proxy or attorney

Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate, also by a representative duly authorised under section 187 of the Act and Article 113.

112. Votes of members

Subject to the provision of the Act and these Articles, every member not disqualified by Article 116 shall be entitled to be present in person and holding any equity share capital therein, shall have one vote and upon a poll the voting right of every such member present in person or by proxy shall be in proportion to his share of paid up equity share capital of the Company.

Provided, however, if any preference share holder be present at any meeting of the Company, save as provided in Clause (b) of sub-section (2) of Section 84 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.

113. Right of member to use his votes differently

On a poll being taken at meeting of the Company, a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.

114. Representation of Body Corporate

A body corporate whether a Company within meaning of the Act or not may, if it is a member or creditor of the Company including being a holder of debentures, may authorize such person by a resolution of its Board of Directors, as it thinks fit, to act as its representative at any meeting of creditors of the Company.

115. Restriction on exercise of voting right by members who have not paid calls

No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and/or has exercised its right of lien.

116. No voting by proxy on show of hands

No member not personally present shall be entitled to vote on a show of hands, unless such member is a body corporate present by a representative duly authorized, under Section 187 of the Act in which case such representative may vote on a show of hands as if he were a member of the Company. A proxy who is present at a meeting shall not be entitled to address the meeting.

117. How member non-compos mentis and minor may vote

If any member be a lunatic or non-compos mentis, the vote in respect of his share or shares shall be his committee or other legal guardian provided that such evidence of the authority of the person claimed to vote as shall be acceptable by the Board shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.

118. Instrument of proxy

The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an office or attorney duly authorized by it.

119. Instrument of proxy to be deposited at office

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty eight 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. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.



120. When vote by proxy valid though authority revoked

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 share in respect of which the vote 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 adjournment meeting at which the proxy is used.

121. Form of proxy

Every instrument of proxy, whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form set out in Schedule IX of the Act.

122. Time for objection to vote

No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

123. Chairman of any Meeting to be the judge of validity of any vote

The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

123A. Votes of Members of unsound mind

A Member of unsound mind, or in respect of whom 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.

123B. Member paying money in advance not be entitled to vote in respect thereof.

A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.

DIRECTORS

124. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three nor more than twelve.

Increase in number of Directors to require Government sanction

125. The Company shall not increase the number of its Directors beyond the maximum fixed by these Articles.

126. The following shall be the first Directors of the Company:

- a) Ayub Khan
- b) Nuzat Mushir

Power of Directors to appoint additional Directors and to fill casual vacancies

127. Subject to the provision of Sections 260, 263, 264 and 284 (6) of the Act and subject to these Articles, the Directors shall have power at any time and from time to time to appoint any other person as a Director either to fill casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed. Any additional Director so appointed shall hold the office upto the next Annual General Meeting.

128. Nominee Directors



Amsons Apparels Limited

Whenever the Company enters into an agreement or contract with the Central or State Government, a local authority, 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 underwriting shares or debentures or other securities of the Company or business takeover agreements, the Board shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have, if and to the extent provided by the terms of such agreement or contract, 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 or contract and that such Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Board 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 any vacancy which may occur as a result of any 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 of the rights and privileges exercised or enjoyed by the other Directors of the Company including payment of remuneration and traveling expenses to such Director or Directors, as may be agreed by the Company with the appointer. The Company may provide by an agreement specific right to nominee Directors for insisting their concurrence to any of the decision of the Board and if no consent from the nominee Directors is received such a decision of Board would not be taken or if taken shall not be binding on Company, as if not validly taken.

DIVIDENDS

173. The profits of the Company which it shall from time to time determine, subject to the provisions of Section 205 of the Act, to divide in respect of any year or other period, shall be applied first in paying the fixed, preferential dividend on the capital paid up on the preference shares if any and secondly in paying a dividend declared for such year or other period on the capital paid up on the equity shares.

173A. Division of profits

(a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if any so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares.

(b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.

179. Interim Dividends

The Board of Directors may from time to time pay the members such interim dividends as in its judgement the position of the Company justifies.

187. Unpaid or Unclaimed Dividend

Where the Company has declared a dividend but which has not been paid or claimed within 30 from the date of declaration to any shareholder entitled to the payment of dividend, the Company shall, within 7 days of the date from expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Amsons Apparels Limited Unpaid Dividend Account" and transfer to the said account, the total amount of dividend which remains unpaid or unclaimed.

Any money transferred to the unpaid dividend account of the Company which remain unpaid or unclaimed for a period of Seven years from the date of such transfer, shall be transferred by the Company to the Fund established under Section 205C of the Act. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

ACCOUNTS

189. Books of Accounts to be kept

The Company shall cause to be kept proper books of account with respect to:



- (a) all sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place;
- (b) all sales and liabilities of the Company; and
- (c) the assets and liabilities of the Company.

190. Books where to be kept and inspection

(1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to:

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place
- (b) all sales and purchases of goods by the Company
- (c) the assets and liabilities of the Company and
- (d) if so required by the Central Government, such particulars relating to utilization of material or labour or to other items of cost as may be prescribed the Government Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides 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.

(2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.

191. Inspection by members

The Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations accounts the and books and the documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.

194. Accounts to be Audited

(1) Once at least in every year they accounts of the Company shall be examined by one or more Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.

(2) The appointment, remuneration, rights, powers & duties of the Company's Auditor shall be regulated in accordance with the provision of the Act.

194A. Appointment of Auditors.

(1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 224 to 229 and 231 of the Act.

(2) The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor.

- (3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:
- a) he is not qualified for re-appointment;
 - b) he has given to the Company notice in writing of his unwillingness to be re-appointed;
 - c) a resolution has been passed at that Meeting appointing some body instead of him or providing expressly that he shall not be re-appointed; or



- d) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the resolution cannot be proceeded with.

(4) Where at any Annual General meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.

(5) The Company shall within seven days of the central government's power under sub-clause (4) becoming exercisable give notice of that fact to that Government.

(6) The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of art Auditor, the vacancy shall only be filled by the Company in General Meeting.

(7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a Member to the Company not less than fourteen days before the Meeting in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be re-appointed.

INDEMNITY

Company may indemnify

199. Subject to the provisions of Section 201 of the Act, every Director, Manager and other officer or any person (whether officer of the Company or not) employed by the Company or as an auditor or servant of the Company shall be indemnified by the Company and it shall be the duty of the Board to pay, out of the funds of the Company, all costs, charges, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered in to or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses and in particular and so as not to limit the generality of the foregoing provision, against all liabilities incurred by him as such Director, Manager, officer or servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted by the Court.

200. Subject to the provisions of Sections 201 of the Act; no Director, Manager or other officer of the Company shall be liable for the acts, receipts or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy or insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by an error of judgement, omission, default or oversight, on his part or for any other loss, damage or, misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

WINDING UP

201. Distribution of Assets

If the Company shall be wound up and the assets available for distribution among the members are such as shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of winding up on the shares held by them respectively and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of winding up the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid up at the commencement of winding up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

201A. Distribution in specie or kind

(a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, 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 or any of them, as the liquidator, with the like sanction, shall think fit.

(b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.

201B. Right of shareholders in case of sale

A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction

201C. Directors and others right to indemnity

Subject to the provisions of Section 201 of the Act, every Director or officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expense, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

201D. Director, officer not responsible for acts of others

Subject to the provisions of Section 201 of the Act no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or office or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.



SECTION IX: OTHER INFORMATION

LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and agreements referred to (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before this Prospectus), which are or may be deemed to be material have been entered into by or on behalf of the Company. Copies of these contracts together with copies of documents referred under material documents below all of which have been attached to the copy of this Prospectus and have been delivered to the SME platform of BSE Limited and may be inspected at the Registered Office of the Company situated at No.116, First Floor, Hemkunt Chamber, 89, Nehru Place, New Delhi – 110 019 between 10:30 am to 5:30 pm on any working day from the date of this Prospectus until the date of closure of the subscription List.

MATERIAL CONTRACTS

1. Memorandum of Understanding dated 2nd September, 2014 between our Company and the Lead Manager to the Issue.
2. Memorandum of Understanding dated 1st September, 2014 entered into with Beetal Financial & Computer Services Private Limited to appointing them as the Registrar to the Issue.
3. Copy of tripartite agreement dated 15th October, 2014 between NSDL, our Company and Registrar to the Company i.e. Beetal Financial & Computer Services Private Limited.
4. Copy of tripartite agreement dated 8th October, 2014 between CDSL, our Company and Registrar to the Company i.e. Beetal Financial & Computer Services Private Limited.
5. Escrow Agreement dated 29th November, 2014 between our Company, Lead Manager, Escrow Collection Bank and the Registrar to the issue.
6. Market Making Agreement dated 31st October, 2014 between our Company, Lead Manager and Market Maker.
7. Underwriting Agreement dated 31st October, 2014 between our Company and Underwriters.

DOCUMENTS FOR INSPECTION

8. Memorandum and Articles of Association of our Company as amended from time to time.
9. Copy of the resolution passed at the meeting of the Board of Directors held on 17th July, 2014 approving the issue.
10. Copy of the resolution passed by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on 24th July, 2014.
11. Copy of board resolution dated 15th March, 2014 appointing Mr. Vinay Kumar as the Whole Time Director of our Company for a period of five years w.e.f. 15th March, 2014 and approving their remuneration and terms.
12. Consents of the Directors, Company Secretary/Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Review Auditors, Lead Manager to the Issue, Underwriters, Market Makers, Bankers to the Issue, Legal Advisors to the Issue, and Registrars to the Issue, to include their names in the Prospectus to act their respective capacities.
13. Copies of Annual Reports of our Company for preceding five financial years i.e. for the financial years viz 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14.
14. Audit report and restated financial information issued by our Peer Review Auditors i.e. M/s. Gupta Rautela & Co.,



Chartered Accountants, dated 20th November, 2014 included in the Prospectus.

15. Letter dated 1st September, 2014 from the statutory Auditors of our Company, M/s. S A Jain & Associates, Chartered Accountants, detailing the tax benefits.
16. Copy of certificate from the statutory Auditors of our Company, M/s. S A Jain & Associates, Chartered Accountants, dated 1st September, 2014 regarding the sources and deployment of funds as on 31st August, 2014.
17. Board Resolution dated 8th December, 2014 for approval of Prospectus.
18. Due Diligence Certificate dated 17th September, 2014 to be submitted to SEBI from Lead Manager viz. BCB Brokerage Private Limited along with the filing of the Prospectus.
19. Copy of approval from BSE vide letter dated 18th November, 2014 to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



DECLARATION

All the relevant provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued, as the case may be. We further certify that all statements in this Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS

Mr. Vinay Kumar
(DIN- 06617479)

Mr. Vishal Yadav
(DIN- 06575088)

Mr. Amit Kumar Gupta
(DIN- 06929401)

Ms. Radhika Thapliyal
(DIN- 06929395)

SIGNED BY THE CHIEF FINANCIAL OFFICER

Mr. Gaurav Bansal

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Sachin Verma

Date: 08.12.2014
Place: New Delhi

