Draft Prospectus
Dated: March 26, 2015
Please read Section 32 of Companies Act, 2013
Fixed Price Issue

PERRY IMPEX LIMITED

Our Company was incorporated as Perry Impex Private Limited on July 22, 2010 under the Companies Act, 1956, with the Registrar of Companies, Mumbai, bearing the Registration Number 205838. The status of our Company was changed to a public limited company and the name of our Company was changed to Perry Impex Limited by a special resolution passed on September 05, 2014. A fresh certificate of incorporation consequent to the change of name was granted to our Company on November 03, 2014, by the Registrar of Companies, Mumbai. For further details regarding the changes in our name and registered office, please see the chapter titled "*History and Certain Corporate Matters*" beginning on page 92 of this Draft Prospectus. The Corporate Identification Number of our Company is U36911MH2010PLC205838.

Registered Office: 1001-1019-1020, 10th floor, Prasad Chambers, Opera House, Mumbai 400 004.
Tel.: +91 – 22 – 23638701 / 02; **Website:** www.perryimpex.com,
Corporate Office: 404, 4th Floor, The Capital, BKC, Bandra (E), Mumbai - 400 051
Tel. No.: +91 – 22 – 40931111**; Tele-Fax:** +91 – 22 – 40931199;
Company Secretary and Compliance Officer: Mr. Darshit Parikh; **Email:** info@perryimpex.com;
Our Promoters: Mr. Rasik Mangukiya and Mr. Ramesh Mangukiya

THE ISSUE

PUBLIC ISSUE OF 31,00,000 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF PERRY IMPEX LIMITED ("PIL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 55 PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 1,705.00 LAKHS ("THE ISSUE"), OF WHICH, 1,80,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (AS DEFINED IN THE CHAPTER "DEFINITIONS AND ABBREVIATIONS") (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. ISSUE OF 29,20,000 EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.72% AND 25.17%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

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 see the section titled "*Issue Related Information*" beginning on page 188 of this Draft 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*" beginning on page 194 of this Draft 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 ₹10 EACH AND THE ISSUE PRICE IS 5.50 TIMES OF THE FACE VALUE.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of the company, there has been no formal market for the securities of the company. The face value of the shares is ₹ 10 per Equity Share and the issue price is 5.50 times of the face value. The Issue Price (as determined by Company in consultation with the Lead Manager) as stated under the chapter titled "*Basis for Issue Price*" beginning on page 57 of this Draft 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 equity shares of our company or regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this document. **Specific attention of the Investors is invited to the section titled "Risk Factors" beginning on page 9 of this Draft Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document 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 issued through this Draft Prospectus are proposed to be listed on the SME Platform of BSE. 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 issued in this Issue. However, our company has received an approval letter dated [●] from BSE for using its name in this Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE").

LEAD MANAGER	REGISTRAR TO THE ISSUE
ARYAMAN FINANCIAL SERVICES LTD	Sharex
ARYAMAN FINANCIAL SERVICES LIMITED 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai - 400 001, Maharashtra, India Tel: +91 – 22 – 22618264; Fax: +91 – 22 – 22630434 Email: ipo@afsl.co.in; or info@afsl.co.in Investor Grievance Email: feedback@afsl.co.in Website: www.afsl.co.in SEBI Registration No.: MB / INM000011344 Contact Person: Ms. Nehar Sakaria / Mr. Pranav Nagar	**Sharex Dynamic (I) Private Limited** Unit No 1, Luthra Ind. Premises, 1st Floor, 44 – E, M.Vasanji Marg, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai – 400 072 Tel: +91- 22 – 28515606, Fax: +91- 22 – 28512885 Email: sharexindia@vsnl.com; Website: www.sharexindia.com SEBI Registration No.: INR000002102 Contact Person: Mr. Ajit Kumar

ISSUE PROGRAMME

ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

General Terms

Term	Description
Perry Impex Limited / PIL / The Company / Company / We / Us / Our / Our Company / The Issuer	Unless the context otherwise indicates or implies refers to Perry Impex Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the state of Maharashtra.

Company related Terms

Term	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Perry Impex Limited
Auditor of the Company (Statutory Auditor)	M/s. Ravi Seth & Co., Chartered Accountants, having their office at 25 Moon Craft Apartments, Sherley Rajan Road, Off Carter Road, Bandra (W), Mumbai – 400 050
Audit Committee	The Audit Committee constituted by our Board of Directors on December 26, 2014
Board of Directors / Board	The Board of Directors of Perry Impex Limited, including all duly constituted Committees thereof.
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Perry Impex Limited, unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof
Group Companies	All companies or ventures which would be termed as Group Companies as per the definition given in Schedule VIII of SEBI ICDR Regulations, 2009. For details of Group Companies of the Company, please see the chapter titled "*Our Promoter, Promoter Group and Group Companies*" beginning on page 110 of this Draft Prospectus
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Perry Impex Limited
Non Residents	A person resident outside India, as defined under FEMA.
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoter / Core Promoter(s)	Mr. Rasik Mangukiya and Mr. Ramesh Mangukiya
Promoter Group	Promoter Group consist of Individuals, HUFs, Companies, Firms, etc. as mentioned in the chapter titled "*Our Promoter, Promoter Group and Group Companies*" beginning on

Term	Description
	page 110 of this Draft Prospectus.
Registered and Corporate Office	The Registered and Corporate Office of our company which is located at: 1001-1019-1020, 10th floor, Prasad Chambers, Opera House, Mumbai 400 004
RoC	Registrar of Companies, Mumbai
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time depending on the context of the matter being referred to.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange	Unless the context requires otherwise, refers to, the BSE Limited.

Issue related Terms

Term	Description
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allottee	The successful applicant to whom the Equity Shares are being / have been issued.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft 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	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Applicants participating in the Issue
ASBA Account	Account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
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.
Banker(s) to the Company	[•]
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are Clearing Members and registered with SEBI as Banker to an issue with whom the Escrow Account(s) will be opened and in this case being [•] and [•]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled "*Issue Procedure*" beginning on page 194 of this Draft Prospectus.
Business Day	Monday to Friday (except public holidays)
BSE	BSE Limited
Category III FPI	Investors including endowments, charitable societies, charitable trusts, foundations, corporate bodies, trust, individuals and family offices which are not eligible for registration under Category I and II under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Controlling Branches	Such Branches of the SCSBs which co-ordinate Bids by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996

Term	Description
Designated Branches	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Applicants in the Issue.
Designated Market Maker	Aryaman Capital Markets Limited (formerly known as Aryaman Broking Limited)
Designated Stock Exchange	SME Exchange of BSE Limited
Eligible NRIs	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Offer and in relation to whom the Draft Prospectus constitutes an invitation to Application on the basis of the terms thereof.
Equity Shares	Equity shares of our Company of ₹ 10 each
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 Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue at which bank(s) the Escrow Account of the Company will be opened
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Issue / Issue Size / Public Issue	The Public Issue of 31,00,000 Equity Shares of ₹ 10 each at ₹ 55 (including share premium of ₹ 45) per Equity Share aggregating to ₹ 1,705.00 lakhs by Perry Impex Limited.
Issue Closing date	The date on which the Issue closes for subscription being [•]
Issue Opening date	The date on which the Issue opens for subscription being [•]
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being ₹ 55.
Issue Proceeds	The proceeds of the Issue. For further information about use of the Issue Proceeds please see the chapter titled "*Objects of the Issue*" beginning on page 52 of this Draft Prospectus
LM / Lead Manager	Lead Manager to the Issue, in this case being Aryaman Financial Services 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.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Non-Institutional Applicant	All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Net Issue	The Issue of 29,20,000 Equity Shares of ₹ 10 each at ₹ 55 (including share premium of ₹ 45) per Equity Share aggregating to ₹ 1606.00 lakhs by Perry Impex Limited.
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
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
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI
Qualified Institutional Buyers / QIBs	Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies

Term	Description
	registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding and does not include FVCIs and multilateral and bilateral institutions.
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount (excluding to the ASBA Applicants), if any, shall be made.
Refund Banker	The bank(s) which is/ are clearing members and registered with the SEBI as Bankers to the Issue, at which the Refund Accounts will be opened, in this case being [●].
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable.
Registrar/ Registrar to the Issue	Registrar to the Issue being Sharex Dynamic (I) Private Limited
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Regulation / SEBI (ICDR) Regulations / Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (PFUTP) Regulations / PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
SEBI SAST / SEBI (SAST Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as the case may be.
Self Certified Syndicate Bank(s) / SCSBs	A Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at http://www.sebi.gov.in/pmd/scsb.pdf
SME Platform of BSE	The SME Platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	Aryaman Financial Services Limited and Aryaman Capital Markets Limited.
Underwriting Agreement	The Agreement among the Underwriters and our Company dated March 16, 2015.
U.S. Securities Act	U.S. Securities Act of 1933, as amended

Technical / Industry related Terms

Term	Description
AEs	Advanced Economies
ARHL	Adjustable Rate Home Loans
CPI	Consumer Price Index
EMDEs	Emerging Market and Developing Economies
EMI	Equal Monthly Installments
FEE	Foreign Exchange Earnings
GJEPC	Gems and Jewellery Export promotion Council
H2	Second half
Q2	Quarter 2
Q3	Quarter 3
Q4	Quarter 4
SEZ	Special Economic Zone
Sq. Ft.	Square Feet
Sq. Mt.	Square Meter
WPI	Wholesale Price Index

Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
ACS	Associate Company Secretary
AEs	Advanced Economies
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
CAD	Current Account Deficit
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EMDEs	Emerging Market and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries Of India
IPO	Initial Public Offering
KM / Km / km	Kilo Meter
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NRE Account	Non Resident External Account
NRIs	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate

Term	Description
PPCB	Punjab Pollution Control Board
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Rs. or ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
Sec.	Section
STT	Securities Transaction Tax
TIN	Taxpayers Identification Number
US/United States	United States of America
USD/ US$/ $	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Days	All days other than a Sunday or a public holiday (except during the Issue Period where a working day means all days other than a Saturday, Sunday and any public holiday), on which commercial bank are open for business.

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Prospectus are to the Republic of India. In this Draft Prospectus, our Company has presented numerical information in "lakhs" units. One lac represents 1,00,000.

Financial Data

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our audited financial statements as on and for the Fiscal Years ended March 31, 2014, 2013, 2012 and 2011 and for six months period ended September 30, 2014 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Draft Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Draft Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS 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.

Any percentage amounts, as set forth in the section titled "*Risk Factors*", chapters titled "*Business Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 9, 76 and 155 of this Draft Prospectus, respectively, and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

Currency, Units of Presentation and Exchange Rates

All references to "Rupees", "Rs." or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "US Dollars" or "USD" are to United States Dollars, the official currency of the United States of America.

This Draft Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

Definitions

For definitions, please see the Chapter titled "*Definitions and Abbreviations*" on page 1 of this Draft Prospectus. In the Section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 216 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

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

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

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 Diamond 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 ability to manage our growth effectively;
- ✓ Our ability to maintain or enhance our brand recognition;
- ✓ Our ability to retain the services of our senior management, key managerial personnel and capable employees;
- ✓ Our ability to renew rents for our Properties used for business activities or conduct new rent arrangements on commercially acceptable terms;
- ✓ ability to adequately protect our trademarks;
- ✓ Changes in consumer demand;
- ✓ Ability to successfully upgrade our products and service portfolio, from time to time; and
- ✓ Ability to obtain any applicable approvals, licenses, registrations and permits in a timely manner

For further discussions of factors that could cause our actual results to differ, please see the section titled “*Risk Factors*”, chapters titled “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 9, 76, and 155 of this Draft Prospectus, respectively.

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. Forward-looking statements speak only as of this Draft Prospectus. Our Company, our Directors, the Lead Manager, and their respective affiliates or associates 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 the 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 approvals by the Stock Exchange.

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If anyone or some combination of the following risks were to occur, our business, results of operations, financial condition and prospects could suffer, and the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. We have described the risks and uncertainties that our management believes are material but the risks set out in this Draft Prospectus may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and the risks involved.

Materiality

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

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

Note:

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

Internal Risk Factors

1. ***Our Company and the erstwhile entity of our Promoters (M/s Perry Impex) are involved in certain tax proceedings and may face certain liabilities, which may adversely affect our financial conditions.***

The Income of our Company and the erstwhile entity of our Promoters (M/s Perry Impex, a partnership firm) is subject to being reassessed. The Income tax assessments of our Company and M/s Perry Impex with respect to filing of the returns for the assessment year 2011-2012, 2013-2014 and 2007-2008 respectively are in process and the final Assessment Order for the year is awaited. The Sales Tax assessments of our Company with respect to filing of the returns for the financial year 2011-2012 are also in process and the final Assessment Order for the year is awaited. The Tax liability, if any, in respect of the assessed income is presently not ascertainable. In case any liability or disputes arise thereafter, the same may adversely affect our financial condition and goodwill.

For more information regarding the above matters, please see the chapter titled "*Outstanding Litigations and Material Developments*" beginning on page 169 of this Draft Prospectus.

2. ***Our business is dependent on our operating facilities. The loss or shutdown of our facilities could have a material adverse effect on our business, financial condition and results of operations.***

Our facilities at Surat, Gariyadhar and Palitana are subject to operating risks, such as shutdowns due to the breakdown or failure of equipment, processes, obsolescence of equipment, labor disputes, strikes, lockouts, or any other reason, and the need to comply with the directives and regulations of the Government of India and relevant State Government authorities. Further, we require Factories Act approvals for our Units located at Palitana and Gariyadhar and the same are currently pending. Delay in or non-receipt of the said approvals may disrupt our operations at the abovementioned Units. Although we are planning to shift our entire operations currently running at these Units to Surat in a phased manner, our business, financial condition, results of operations and prospects may be adversely affected by any sudden disruption of operations at our facilities.

3. *We require certain approvals, licenses, registrations and permits for our business and the failure to obtain or renew them, as and when required, in a timely manner may adversely affect our business and operations.*

We require certain statutory and regulatory permits, licenses and approvals to operate our existing facilities. Further, some of these approvals are granted for fixed period of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial conditions and results of operations. Even though we have obtained various approvals from statutory / regulatory authorities, and are in the process of making certain applications to the relevant authorities, there can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. For the list of important approvals and sanctions obtained and pending at various stages as on date, please see the chapter titled "*Government and other Statutory Approvals*" beginning on page 174 of this Draft Prospectus.

4. *Our diamond business operations are subject to high working capital operations. Our inability to maintain sufficient cash flows, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay our debts, could adversely affect our operations and growth prospects.*

Our business is working capital intensive. Significant amounts of working capital are required to finance the purchase of materials and the processing of the same before payments are received from customers. Our working capital requirements are hence affected by the significant credit lines that we typically extend to our customers in line with industry practice. Historically, we have met our working capital requirements through bank borrowings and / or internal accruals. However, we cannot assure you that, going forward, we will be able to arrange funds at a competitive rate required to meet our working capital requirements. In such an eventuality, our business, financial condition and results of operations may be adversely affected.

5. *Decreases in the value of diamonds would reduce the value of our inventory, which could have a material adverse effect on our results of operations and financial condition.*

As of September 30, 2014, we had total inventory consisting of raw materials, stock in process and finished goods to the value of ₹ 5,941.44 lakhs as per our standalone restated financial statements. A pro-longed decline in the price of diamonds would have an adverse effect on the value of our inventory, which would have an adverse effect on our results of operations and financial condition. Any sudden fall in the market price of diamonds may adversely affect our ability to recover our procurement costs. Any such fluctuation in the price of diamonds or other raw materials may materially and adversely affect our income, profitability and results of operations.

6. *Our products, i.e. diamonds, are majorly purchased by Jewellery Manufacturing Companies. Demand for our products is subject to rapid and unpredictable changes in fashion trends and consumer preferences, and our inability to anticipate and address such changes may adversely affect our business prospects, results of operations and financial condition.*

The jewellery industry, like other luxury retail industries, is subject to rapid and unpredictable changes in fashion trends and customer preferences. Customer preferences for jewellery designs and types may vary significantly from region to region in India and in each of our international markets. Furthermore, the increasing popularity of branded jewellery merchandise may adversely impact our business prospects and revenues if we are unable to successfully design, manufacture and market branded jewellery. Our inability to anticipate, identify and react appropriately or in a timely manner to customer preferences, or failure to develop and implement customer oriented sales policies that influence customer purchase decisions, could result in a decrease in consumer acceptance of our products, a diminished brand image and market share, which could result in lower profits. These changes can adversely affect our business prospects, results of operations and financial condition.

7. *Demand of our products are dependent on demand of jewellery items. Changes in consumer attitudes to diamonds and jewellery could be unfavourable and harm our diamond sales.*

Consumer attitudes to diamonds and other precious metals and gemstones influence the level of our sales to a great extent. Attitudes could be affected by a variety of issues including non-acceptance of diamonds from specific regions, non-promotion of jewellery by fashion industry, decrease in the perceived value and customer satisfaction of the jewellery compared to its price, availability of alternate metals and consumer attitudes to substitute our products with products such as cubic zirconia, moissanite and of laboratory created diamonds. A negative change in consumer attitudes to jewellery could adversely impact our sales.

8. Our business is seasonal in nature with significant sales during the third and fourth quarter of our Fiscal year.

We have experienced seasonal fluctuation in our sales and may continue to do the same in future. We have historically experienced higher sales during the third and fourth quarter of our Fiscal. On an average, in the Fiscals 2013 and 2014, the 3rd and 4th quarter sales accounted for over 60% of our annual sales. The demand for our products from our customers is higher in these periods on account of festive and wedding seasons. Thus there is variation in revenues and hence profitability in each quarter. A significant shortfall in sales during these periods would therefore be expected to have a material adverse effect on our results of operations.

9. Our products face stiff competition from other luxury products.

Diamonds are perceived as a luxury product and thus our products face stiff competition from other jewellery options available like gold jewellery, platinum jewellery, coloured stones and from other luxury items including electronic gadgets, high-end watches, luxury phones, automobiles, etc. Change in consumer preferences, in favour of other luxury products, may lead to reduction in demand for our products, reduce our market share and adversely affect our business and results of operations.

10. We generally do not have long-term contracts with our customers.

Purchases by our customers are generally through purchase orders on a short-term basis or on a fixed delivery basis. We generally do not have any long term contracts with our customers and hence there is no assurance that our present customers will continue to procure orders from us. Any loss of our major customers can lead to reduced business and margins and adversely affect our results of operations.

11. Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone the delivery of such products or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customers' discretion or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products.

In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default with regard to the orders placed with us, or disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. Any delay, modification, cancellation of order by our large customers may have material adverse effect on our financial condition and results of operations.

12. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.

As of September 30, 2014, we had total inventory consisting of raw materials, stock in process and finished goods to the value of ₹ 5941.44 lakhs as per our standalone restated financial statements. Our business operations also involve significant cash transactions and we maintain large amounts of inventory at all our Units. Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during stocking and display. The jewellery industry also typically encounters some inventory loss on account of employee theft, shoplifting, vendor fraud, and general administrative error. Although we have set up various security measures, including tagging our products, CCTV in our offices and units, armed security guards and follow stringent operational processes such as daily stock taking, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

13. We are exposed to currency exchange risks.

The exchange rate between the Rupee and the U.S. Dollar has changed substantially in recent years and may continue to fluctuate significantly in the future. During Fiscal 2012, Fiscal 2013 and Fiscal 2014, the value of the Rupee against the U.S. Dollar fell by approximately 13.82%, 9.04% and 4.11% respectively. Around 99.50%, 88.03% and 98.16% of our revenue was on account of overseas clients and was denominated in U.S. Dollars and other foreign currencies, for the six months period ended September 30, 2014 and fiscals 2014 and 2013, respectively, as per our standalone restated financial statements.

Thus, from our past records, we expect that a majority of our revenues will continue to be generated in foreign currencies and that we would attempt to undertake significant portion of our expenses in Indian Rupees. Accordingly, our operating results have been and will continue to be impacted by fluctuations in the exchange rate between the Rupee and the U.S. Dollar. Any strengthening of the Rupee against the U.S. Dollar could adversely affect our financial condition and results of operations.

14. Our insurance policies provide limited coverage and we may not be insured against some business risks.

Our insurance policies currently consists of jeweller’s block policy which covers our stock in trade, cash and currency in business premises, stock in trade whilst in insured custody outside business premises, stock in trade whilst in transit by post / air freight / angadia and furniture and fixtures/equipment pertaining to trade and business premises. As on the date of this Draft Prospectus, the total sum insured by our Company under this policy aggregates to ₹ 6,400.00 lakhs. Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks and the occurrence of an accident that causes losses in excess of limits specified under the relevant policy, or losses arising from events not covered by insurance policies, could materially and adversely affect our financial condition and results of operations. For details on our insurance coverage, please see “*Business Overview – Insurance*” on page 86 of this Draft Prospectus.

15. We do not own 3 out of 8 of our properties and the same are on rental basis and any termination and / or non-renewal of such rent could adversely affect our operations.

The premises on which 3 of our properties are situated are taken on a rental basis. Brief details of these properties are given below –

S. No.	Location	Area (Sq. ft.)	Name of Owner	Rent	Term of Rent
1	Survey no. 403/2, Vastadevdi Road, Katargaon, Surat	3,000	Mukesh Ganeshwala	₹ 15,000 per month	01/05/2014 to 30/03/2015
2	Plot no.76, Diamond Nagar, Near Jakatnaka, Bhavnagar Road, Palitana	8,250	Kalubhai Surani	₹ 12,000 per month	01/10/2014 to 30/09/2019
3	Plot No. 9, Surat Special Economic Zone, Sachin, Surat	2,500	M/s Star Diam	₹ 40,000 per month	01/10/2011 to 30/09/2015

Any termination of the licenses whether due to any breach or otherwise, or non-renewal thereof, could temporarily disrupt our functioning and adversely affect the business operations.

16. We are dependent on our Promoters, Mr. Rasik Mangukiya and Mr. Ramesh Mangukiya, for their expertise and market goodwill. Our separation, if any, from our Promoters may adversely affect our business.

We are dependent on our Promoters, Mr. Rasik Mangukiya and Mr. Ramesh Mangukiya for their expertise and market goodwill and our separation from our Promoters may adversely affect our business. We believe that our Promoters lend strength to the trust and reliability reposed in us and enables us to attract and retain fresh talent. Our separation, if any, with our Promoters for any reasons whatsoever shall adversely affect our business and results of operations.

17. If we are unable to retain the services of our key managerial personnel, our business and our operating results could be adversely impacted.

We are dependent on our key managerial personnel for executing the day-to-day activities and managing our business efficiently. If any of the members of our key managerial personnel is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, results of operations and financial condition may be materially and adversely impacted.

18. ***Our Company logo has not been registered under the Trademarks Act, 1999. Consequently we may not be able to effectively protect our intellectual property.***

We had filed applications for registration of our Company logo under class 14 and class 35, under the provisions of the Trademarks Act, 1999. The same have not yet been registered. There is no assurance that the application will be approved by the Trade Mark Registry. In addition, our application for the registration of the trade mark may be opposed by third parties and we may have to incur significant cost and spend time in litigations in relation to these oppositions. In the event we are not able to obtain the trademark registration of our Company, we may not be able to avail the legal protection and legal remedies (in case of infringement) available as a proprietor of registered trademarks. Non-registration may adversely affect our Company's ability to protect its trademark against infringements which may materially and adversely affect our goodwill and business. If our Company fails to successfully protect or enforce its intellectual property rights, it may be required to change its logo. Any such change could require our Company to incur additional costs and may impact its brand recognition in the market and amongst buyers and potential buyers. For details on the trademark applications, please see the chapter titled "*Government and other Statutory Approvals*" beginning on page 174 of this Draft Prospectus.

19. ***There may be possible conflicts of interest between us and our Promoter or one or more of our Promoter Group Entities. If our Promoter or Promoter Group Entities act in a manner that is contrary to our interests, our business, financial condition and results of operations could be adversely affected.***

Our Promoter Mr. Ramesh Mangukiya is actively involved in the management of both our business and the business operations of one of our Promoter Group Entities (M/s Natural Arts, a proprietary firm of Mr. Ramesh Mangukiya), who are in similar lines of our business. Our Promoter's attention to our Promoter Group Entity may distract or dilute management attention from our business, which may adversely affect our business, financial condition and results of operations. There is no non-compete agreement in place between us and any of our Promoter Group Entities with respect to the jewellery businesses. There can be no assurance that our Promoter Group Entities will not provide comparable services, expand their presence or acquire interests in competing ventures in the locations in which we operate. For further details, please see the chapters titled "*Business Overview*" and *"Our Promoters, Promoter Group and Group Companies"* beginning on pages 76 and 110 respectively of this Draft Prospectus.

20. ***We will be controlled by our Promoters so long as he controls a majority of our Equity Shares.***

After the completion of this Issue, our Promoters will control, directly or indirectly, a majority of our outstanding Equity Shares (i.e. 73.23%). As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other shareholders will be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot assure you that our Promoters will act in our interest while exercising their rights in such entities, which may in turn materially and adversely affect our business and results of operations. We cannot assure you that our Promoters will act to resolve any conflicts of interest in our favour. If our Promoter sells a substantial number of the Equity Shares in the public market, or if there is a perception that such sale or distribution could occur, the market price of the Equity Shares could be adversely affected. No assurance can be given that such Equity Shares that are held by the Promoters will not be sold any time after the Issue / lapse of lock-in period, which could cause the price of the Equity Shares to decline.

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

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements, and that of our Subsidiary and the dividends they distribute to us. Our business is working capital as well as capital intensive. We further propose to incur capital expenditure in setting up more facilities for forward as well as backward integration. We are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations.

22. ***We may be subject to monetary or other penalty for any non-compliance with Companies Act, Accounting Standards or any other Act or Regulation applicable to us during our earlier years.***

We are a family-run business and were operating as a partnership firm (M/s Perry Impex) until 2010. We were incorporated as a Private Limited Company only in 2010 and were converted to a Public Limited Company in 2014. Even after conversion we continue till date to be a Promoter driven closely held Company. There may have been certain unintentional non-compliances or errors under the Companies Act or Accounting Standards or any other Act applicable to us which if proved against us in future may result in a penalty, monetary or otherwise.

23. ***Our Promoters and Directors may have interest in our Company, other than reimbursement of expenses incurred or remuneration.***

Our Promoters and Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or our Promoter Group Entities, and benefits deriving from their directorship in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Promoter Group Entities. For further details, please see the chapters titled "*Business Overview*" and "*Our Promoters, Promoter Group and Group Companies*", and "*Financial Information*" beginning on pages 76, 110 and 117 respectively, of this Draft Prospectus.

24. ***We have limited operating history in jewellery business. We may not have sufficient experience to address risks frequently encountered and may not be able to implement our growth strategy successfully.***

We have commenced operations in e-retailing of diamond jewellery under our newly launched "*Perrian*" brand in Fiscal 2013 through our Subsidiary – Perry Creation Pvt. Ltd. and also commenced operations in retailing of apparels and textiles through our Subsidiary – Perrian Lifestyle Pvt. Ltd. The development of retail / e-retail business involves various risks, including among others, execution risk, financing risk, security risk and effective communication risk. Given our limited operating history in jewellery and textile business, we may not have sufficient experience to address the risks, including our ability to operate e-retail websites and stores successfully, achieve and maintain satisfactory online and store sales, maintain adequate inventory and create effective brand awareness. We may not be able to successfully undertake the jewellery business and our failure to do so could materially adversely affect our business, prospects, financial condition and results of operations.

25. ***We have significant dependence on per piece / daily wages labourers and non-availability of the same may affect our business operations***

As an industry practice, the cutting and polishing of diamonds is majorly carried out by labourers who work on a per piece basis or daily wages basis. These labourers are not bound by any contract, agreement or bond to report to work daily and we cannot guarantee that we will be able to procure such labourers without incurring additional costs. We are heavily reliant on these workers who are hired on a daily wage / per piece basis and are not on a fixed payroll at our units. Our inability to continue to procure such services or any disputes with this group of labour would severely affect our operations. Also the deductions made for professional tax or provident fund would hence be volatile.

Further, as on January 31, 2015 we have employed approximately 400 labourers on per piece / daily wages basis. Though till date we have not received any notice or penalty for violation of any labour laws, any adverse future interpretation by the authorities or change in law pertaining to casual / temporary labour can lead to penalty, prospective or retrospective, which may affect our cash flows and business operations. and may cause a under-utilisation of our capacities or a total shut down.

26. ***We are significantly dependent on a few customers. Our top ten customers have contributed approximately 60% of our total sales in FY 2014.***

The revenues from our top ten customers constituted approximately 60% and 34% in FY 2014 and FY 2013 respectively. While our Company has done substantial business with these customers in the past, we do not have any legally binding long term agreements or commitments to supply capital / funds to them in the future and we cannot assure that we would receive any business at all from any of these customers in the future, or receive business from them on terms and conditions commercially acceptable to us. Loss of one or more of our major customers could have a material adverse effect on our business, results of operations and financial condition.

27. We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial condition.

We have experienced negative operating as well as financial cash flows, in the past.

(₹ in lakhs)

Particulars	Sept 30, 2014	Financial Year Ended			
		Mar-14	Mar-13	Mar-12	Mar-11
Net Cash flow from Operating activities	32.03	(2,626.79)	(685.05)	(554.24)	(2,140.34)
Net Cash Flow from Investing Activities	167.21	(725.62)	(254.29)	12,423.88	(13,499.52)
Net Cash Flow From Financing Activities	(82.78)	3,811.09	1,051.55	(12,431.73)	16,281.03

If the negative cash flow trend persists in future, our Company may not be able to generate sufficient amounts of cash flow to finance our Company's working capital, make new capital expenditure, pay dividends, repay loans, make new investments or fund other liquidity needs which could have a material adverse effect on our business and results of operations.

28. Some of our Subsidiaries have incurred losses in FY 2014. Sustained losses by our Subsidiaries could adversely affect our promoter's financial condition.

Some of our Subsidiaries have incurred losses in Fiscal 2014 as detailed below:

Sr. No.	Name of Group Company	PAT in FY 2014 (₹ in lakhs)
1	Perry Creation Private Limited	(10.58)
2	Perry Lifestyle Private Limited	(18.41)

If any of the aforesaid Subsidiaries and / or other Subsidiaries incur loss in future, our consolidated financial performance will be adversely impacted. For details, please see the chapter titled "*Our Subsidiaries*" beginning on page 95 of the Draft Prospectus.

29. Our contingent liabilities could adversely affect our financial condition.

As on September 30, 2014, we had contingent liabilities of ₹ 2174 lakhs as per our standalone restated financial statements. If any or all of these contingent liabilities were to materialize, it could have an adverse effect on our business, financial condition and results of operation. For further information, please see section titled "*Financial Information*" beginning on page 117 of this Draft Prospectus.

30. We have not made any provisions for decline in value of our Investments.

As on September 30, 2014, we have made investments in Quoted and Unquoted Equity Instruments aggregating to ₹ 0.21 lakhs and ₹ 0.92 lakhs, respectively, as per our standalone restated financial statements. All our Investments are currently above its book value and thus as per Accounting Standard 13, we have not made any provision for the same. However, when these investments are liquidated, we may book losses based on the actual value we can recover for these investments and the same could adversely affect our results of operations.

31. Our Company has in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company's financial condition and results of operations.

Our Company has entered into certain related party transactions with its Promoter / Promoter Group / Directors / Subsidiaries / Group Companies. While we believe that all such transactions have been conducted on an arms-length basis and contain commercial terms, there can be no assurance that our Company could not have achieved more favorable terms had such transactions not be entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. For details on the Related Party Transactions of our Company, please see the *Annexure XVII - Related Party Transactions*" on 150 of this Draft Prospectus.

32. Our Company has availed ₹ 1,214.19 lakhs as unsecured loan which are repayable on demand. Any demand from the lenders for repayment of such unsecured loan may affect our cash flow and financial condition.

As on September 30, 2014, our Company has availed a total sum of ₹ 1,214.19 lakhs as unsecured loans (as per our standalone restated financial statements) which may be recalled at any time. Sudden recall may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund. For further details, please see "*Unsecured Loans*" under "*Financial Information*" beginning on page 117 of this Draft Prospectus. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

33. Our Promoters have provided security to our Bankers towards financial arrangement availed by our Company.

Our Company has availed financial arrangement from our Bankers for which security in form of immovable properties owned by our Company and Promoters has been provided. In case in future due to any circumstances, if these securities are withdrawn, our Bankers shall ask for new securities which the Company will have to arrange in future. This may have effect our business and financial operations. For further details, please see the chapter titled "*Financial Indebtedness"* beginning on page 165 of this Draft Prospectus.

34. We are subject to the restrictive covenants of banks in respect of the overdraft and other banking facilities availed from them.

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lenders, regarding, among other things, availing any loan from any Bank / Financial Institution, extending finance to other concerns. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in certain of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the overdraft and other banking facilities, please see the section and the chapter titled *"Financial Information"* and *"Financial Indebtedness"* beginning on pages 117 and 165 respectively, of this Draft Prospectus.

35. We have availed of certain loans from Banks, pursuant to the Financing Agreements that we have entered into with them. Pursuant to the terms of such agreements, we require consents from the respective Bankers for a number of corporate actions, including for undertaking this Issue, all of which have not been obtained as on date. Any failure to obtain such consents may result in a default under the terms of the Financing Agreements.

Pursuant to the Financing Agreements entered into by us with the Bankers, we are required to obtain consents from the respective Bankers to undertake certain actions, including this Issue and for completion of the requirements pertaining to this Issue. We have informed our Bankers orally of our intention to undertake this Issue. However, as on date, we have not obtained consents from any of our bankers for undertaking this Issue, and the same are awaited.

While our Company intends to obtain all the necessary consents in relation to this Issue from our Bankers prior to the filing of the Prospectus with the RoC, undertaking this Issue without obtaining such Banker consents, or in contravention of any conditions contained in such contents, may constitute a breach of the Financing Agreements. Any default under the Financing Agreements may enable our Bankers to cancel any outstanding commitments, accelerate the repayment and enforce their security interests. If our obligations under the Financing Agreements are accelerated, our financial condition and operations could materially and adversely be affected.

36. The proposed objects of the issue for which funds are being raised have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

The objects of the issue for which part of the fund are being raised have not been appraised by any bank or financial institution. In the absence of such independent appraisal, the requirement of funds raised through this issue, as specified in the chapter titled "*Objects of the Issue*" on page 52 of this Draft Prospectus, are based on the company's estimates and deployment of these funds is at the discretion of the management and the Board of Directors of the company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

37. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.

The funds that we receive would be utilized for the objects of the Issue as has been stated in the chapter titled *"Objects of the Issue"* beginning on page 52 of this Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our working capital limits resulting in unprecedented financial mismatch and this may affect our revenues and results of operations.

38. We have not entered into any definitive arrangements to monitor the utilization of the Issue Proceeds.

As per the SEBI (ICDR) Regulation 2009, appointment of monitoring agency is required only for Issue size above ₹ 50,000 lakhs. Hence we have not appointed any monitoring agency and the deployment of Issue Proceeds as stated in the chapter titled "*Objects of the Issue"* on page 52 of this Draft Prospectus is not subject to monitoring by any independent agency. Major portion of the funds being raised through this Issue will be utilized for working capital requirements which are based on the management estimates.

External Risk Factors

39. 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 Prospectus as well as other rules and formalities for completing the Issue.

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notifications, resulting in the corresponding provisions of the companies Act, 1956 ceasing to have effect. The new companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or deposits a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibition on loans to directors and insider trading and restriction on directors and insider trading and restriction on directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. To ensure compliance with the requirement of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance cost and divert management attention.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncement or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial step. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have adverse effects on our business and results of operations.

40. We sell our products to jewellery manufacturing companies. These jewellery purchases are discretionary and are often perceived to be a luxury purchase. Any factor which may bring discretionary spending by consumers under pressure may adversely affect our business, results of operations and financial condition.

Diamond and Jewellery purchases are typically high-value, luxury purchases and depend on consumers' discretionary spending power. The success of our operations depends to a significant extent upon a number of factors relating to discretionary consumer spending in India. These factors include economic conditions and perceptions of such conditions by consumers, employment rates, the level of consumers' disposable income, business conditions, interest rates, consumer debt levels, availability of credit and levels of taxation in regional and local markets in India where we sell our products. Additionally, diamond jewellery is not perceived to be a necessity which may result in a significant fall in demand in the case of adverse economic conditions as opposed to demand for those goods that are perceived as a necessity. Any such fall in demand or a decline in the general economic conditions in India or our international markets or conditions which may bring discretionary spending by consumers under pressure could adversely affect our business, financial condition and results of operations.

41. The Indian e-retail / e-commerce based jewellery industry is at a nascent stage and faces high competition from physical retailers, both organised and un-organised.

The Indian retail jewellery industry is highly fragmented and dominated by the unorganized sector, from which the organized retail jewellery sector faces intense competition. The players in the unorganized sector offer their products at highly competitive prices and many of them are well established in their local sectors. Also, it is a general tendency of Indian consumers to see, feel and inspect expensive items like jewellery before they purchase it. Thus, the e-retailing of jewellery is faced with immense competition from physical retailers. There can be no assurance that we can continue to effectively compete with the physical retailers and other branded e-retailers in the future, and the failure to compete effectively may have an adverse effect on our business, financial condition and results of operations. For more information concerning our competitors, please see "*Business Overview - Competition*" on page 84 of this Draft Prospectus.

42. Our Company is subject to risk arising from changes in interest rates and banking policies.

Increased interest rates will have a bearing on profitability and credit controls will have an effect on our liquidity and will have serious effects on adequate working capital requirements. We are dependent on various banks for arranging of our working capital requirement etc. Accordingly, any change in the existing banking policies or increase in interest rates may have an adverse impact on profitability of our company.

43. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain its ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to it without stringent conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

44. Instability in financial markets could materially and adversely affect our results of operations and financial condition.

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

45. Political instability or changes in the Government in India or in the Government of the states where we operate could cause us significant adverse effects.

We are incorporated in India and most of our operations, assets and personnel are located in India. Consequently, our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business is also impacted by regulation and conditions in the various states in India where we operate. Since 1991, successive Governments have pursued policies of economic liberalisation and financial sector reforms. However, there can be no assurance that such policies will be continued. Any political instability could affect the rate of economic liberalisation, specific laws and policies affecting foreign investment, the Steel industry or investment in our Equity Shares. A significant change in the Government's policies, in particular, those relating to the Steel industry in India, could adversely affect our business, results of operations, financial condition and prospects and could cause the price of our Equity Shares to decline.

46. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. 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 price of our Equity Shares.

47. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and the trading price of the Equity Shares.

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

48. There is no existing market for our Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue and, as a result, you could lose a significant portion or all of your investment.

There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares. Prior to the Issue, there has not been a public market for the Equity Shares. Further, we cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue Price. The market price of the Equity Shares on the Stock Exchanges may fluctuate after listing as a result of several factors, including the following:

- Volatility in the Indian and other Global Securities Markets;
- The performance of the Indian and Global Economy;
- Risks relating to our business and industry, including those discussed in this Red Herring Prospectus;
- Strategic actions by us or our competitors;
- Investor perception of the investment opportunity associated with the Equity Shares and our future performance;
- Adverse media reports about us, our shareholders or Group Companies;
- Future sales of the Equity Shares;
- Variations in our quarterly results of operations;
- Differences between our actual financial and operating results and those expected by investors and analysts;
- Our future expansion plans;
- Perceptions about our future performance or the performance of Indian Steel Processing companies generally;
- Performance of our competitors in the Indian Steel / Steel Processing industry and the perception in the market about investments in the Steel sector;
- Significant developments in the regulation of the Steel industry in our key locations;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant developments in India's economic liberalisation and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share
- Price could fluctuate significantly as a result of market volatility. A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

49. Economic developments and volatility in securities markets in other countries may cause the price of the Equity Shares to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the financial crisis in the United States and European countries, lead to a global financial and economic crisis that adversely affected the market prices in the securities markets around the world, including Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

50. Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

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

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance that we will be able to pay dividends. Additionally, we may be prohibited by the terms of our future debt financing agreements to make any dividend payments until a certain time period as may be agreed with lenders.

52. Significant differences exist between Indian GAAP and other accounting principles, such as U. S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.

Our financial statements, including the financial statements provided in this Prospectus are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Each of U.S. GAAP and IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

PROMINENT NOTES:

1. The Net Worth of our Company was ₹ 3911.48 lakhs as of March 31, 2014 and the book value of each Equity Share was ₹ 46.02 as of March 31, 2014 as per our Standalone Restated Financial Statements. The Net Worth of our Company was ₹ 3,887.36 lakhs as of March 31, 2014 and the book value of each Equity Share was ₹ 45.73 as of March 31, 2014 as per our Consolidated Restated Financial Statements. For more information, please see the Section titled *"Financial Information"* beginning on page 117 of this Draft Prospectus.

2. Issue of 31,00,000 Equity Shares of the face value ₹ 10 each at a price of ₹ 55 per Equity Share for cash at a premium aggregating ₹ 1,705 lakhs.

3. The average cost of acquisition of the Equity Shares held by our Promoters are as below –

Mr. Rasik Mangukiya	-	₹ 8.17 per share
Mr. Ramesh Mangukiya	-	₹ 2.97 per share

For further details, please see the chapter titled "*Capital Structure*" beginning on page 43 of this Draft Prospectus.

4. Our Company, it's Promoters / Directors, Company's Associates or Group companies have not been prohibited from accessing the Capital Markets under any order or direction passed by SEBI. The Promoters, Group Companies and Associate Companies are not declared as wilful defaulters by RBI / Government authorities and there are no violations of securities laws committed in the past or pending against them except as stated under chapters titled "*Risk Factors*", "*Promoter, Promoter Group and Group Companies*" and "*Outstanding Litigations and Material Developments*" on pages 9, 110 and 169 of this Draft Prospectus, respectively.

5. Investors are advised to refer to the chapter titled "*Basis for Issue Price*" beginning on page 57 of this Draft Prospectus.

6. Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.

7. In the event of over-subscription, allotment shall be made as set out in paragraph titled "*Basis of Allotment*" beginning on page 210 of this Draft Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.

8. Except as disclosed in the chapters titled "*Our Promoter, Promoter Group and Group Companies*" and "*Annexure XVII - Related Party Transactions*" beginning on pages 110 and 150 respectively, of this Draft Prospectus, respectively, none of our Group Companies have business interests or other interests or any other transaction with / in our Company.

9. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Financial Statements. For details, please see the section titled "*Financial Information*" beginning on page 117 of this Draft Prospectus.

10. The details of transactions by our Company with Promoter Group and Group Companies during the last year are disclosed under "*Annexure XVII - Related Party Transactions*" on page 150 of this Draft Prospectus.

11. None of the members of the Promoters Group/Directors and their immediate relatives have entered into any Transactions in the Equity shares of our Company within the last six months from the date of this Draft Prospectus, except as disclosed in the chapter titled "*Capital Structure*" beginning on page 43 of this Draft Prospectus.

12. Investors may contact the LM, the Registrar to the Issue or the Compliance Officer of our Company, for any complaints pertaining to the Issue.

13. For details on securities issued for a consideration other than cash, please see the chapter titled "*Capital Structure*" beginning on page 43 of this Draft Prospectus.

14. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Draft Prospectus.

15. Trading in Equity Shares of our Company for all the investors shall be in dematerialized form only.

16. Our Company was incorporated as Perry Impex Private Limited on July 22, 2010 under the Companies Act, 1956, with the Registrar of Companies, Mumbai bearing Registration Number - 205838. The status of our Company was changed to a public limited company and the name of our Company was changed to Perry Impex Limited by a special resolution passed on September 05, 2014. A fresh certificate of incorporation consequent to the change of name was granted to our Company on November 03, 2014, by the Registrar of Companies, Mumbai.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY OVERVIEW

Overview of the Gems and Jewellery Industry in India

Market Size of the Industry

The Jewellery Market in India is expected to grow at a CAGR of 15.95 per cent over the period 2014-2019, according to a report by Research and Markets. The cumulative foreign direct investment (FDI) inflows in diamond and gold ornaments in the period April 2000-December 2014 were US$ 476 million, according to Department of Industrial Policy and Promotion (DIPP). FY14 saw an increase of 12.65 per cent in export of cut and polished diamonds with the segment reaching US$ 19,635 million. The industry also witnessed a rise of 11.98 per cent in imports of rough diamonds with figures of US$ 16,716 million.
(Source: India Brand Equity Foundation – February 2015)

Exports

In FY 2013–14, the Indian gems and jewellery sector contributed US$ 34,746.90 million to India's foreign exchange earnings. Polished diamond export registered an increase of 12.64 per cent at US$ 19 billion compared to same period in previous year. The key export destinations for Indian gems and jewellery in 2013-14 were UAE with 35 per cent of export valued at $12 billion followed by Hong Kong at 28 per cent with value of US$ nine billion and USA at 14 per cent with export value of US$ five billion.
(Source: India Brand Equity Foundation – July 2014)

Imports

The Gems and Jewellery Industry witnessed a rise of 11.98 per cent in imports of rough diamonds with figures of US$ 16,716 million. India imported 163.11 million carats of rough diamonds worth US$ 16.34 billion and exported 36.46 million carats of polished diamonds valued at US$ 20.23 billion in 2013.
(Source: India Brand Equity Foundation – November 2014)

The hub of India's jewellery industry is Mumbai that receives the majority of the country's gold and rough diamond imports. Mumbai has a considerable number of modern, semi-automatic factories and laser-cutting units, the majority of which are located in the special economic zone(s). Most of the diamond processing, is undertaken in Gujarat, (primarily in Surat, Bhavnagar, Ahmedabad and Bhuj) and in Rajasthan (Jaipur) with Gujarat contributing to 80% of the total diamonds processed in India.
(Source: Report titled “Changing Trends: Indian Gems and Jewellery Industry” by ONICRA Credit Rating Agency of India)

Market size of Diamonds in India

India’s rough diamond imports in terms of carats were 122,815,000 carats of diamonds worth US$14,160.22 million in the April 2014 – January 2015 period, marking a decrease in terms of carats and an increase in monetary value from imports of 138,167,000 carats of diamonds worth US$13,855.29 million in the April 2013 - January 2014 period, according to statistics released by India’s Gem & Jewellery Export Promotion Council (GJEPC).

India’s rough diamond exports, at 27,601,000 carats worth US$1,175.26 million in April 2014 – January 2015, were down compared to the rough exports in the corresponding period of 2013-2014 in both monetary terms and carat terms.

India’s cut and polished diamond imports increased to US$6,037.65 million in April 2014 – January 2015 from US$5,274.89 million a year earlier.
(Source: Statistics published by The Israeli Diamond Industry on February 22, 2015)

Demand drivers of the Industry

- *Rising Disposable Income*

The rising disposable income has been a major demand driver for the sector over the years, both domestically as well as internationally. Jewellery, particularly diamond jewellery, is considered as a lifestyle product, and the demand for lifestyle products has also gone up with the increase in disposable incomes; as a result, the gems and jewellery sector has recorded tremendous growth in the past few years. Gold demand has been rising in India in the last few years because of increased purchasing parity of the middle class and the increasing income levels.

➢ *Penetration of the Organised Players*

It is estimated that growth in the industry would be highly contributed with the development of large retailers / brands in the coming years. The leading brands are pulling the organised market and are opening opportunities to grow. Increasing penetration of organised players provides variety in terms of products and designs. These players are also offering financing schemes to consumers to further boost sales. However, the phenomenon is more prevalent in the tier-1 and tier-2 cities.

➢ *Low Cost of Labour*

The low cost of labour for cutting and polishing of diamonds has made India an attractive destination for diamond processing.

➢ *Availability of Skilled Craftsmen*

Jewellery manufacturing is an ancient industry in India therefore it has a huge population of skilled artisans / craftsmen. Furthermore, India is famous for processing very small diamonds that requires immense skill, which the Indian artisans seem to have developed over the years. These advantages help India score over its peers.

➢ *Government Initiatives / Policy Support*

- The Indian government is planning to establish a special zone with tax benefits for diamond import and trading in Mumbai, in an effort to develop the city as a rival to Antwerp and Dubai, which are currently the top trading hubs for diamond.

- The Reserve Bank of India (RBI) has liberalized gold import norms. Now, star and premier export houses can import the commodity, while banks and nominated agencies can offer gold for domestic use as loans to bullion traders and jewellers, as per a notification issued by the RBI.

- To further liberalize norms for rough diamond imports, the RBI has lifted restrictions on some mines abroad. Advance remittances can now be given to these mines for such import of roughs.

- India and Russia have signed a Memorandum of Understanding (MoU) to source data on diamond trade between the two countries. India is the top global processor of diamonds, while Russia is the largest rough diamond producer.

(Source: India in Business, Ministry of External Affairs, Govt. of India)

Challenges faced by the Industry

The industry faces several challenges impacting consumption and the investment demand side of the market.

➢ *High import dependence*

The gems and jewellery industry is highly dependent on import for meeting its raw material requirements and among the imported commodities rough diamonds account for almost 50% of the imports. India is also one of the largest importer and consumer of silver in the world.

➢ *Lack of financial support*

The gross credit deployment towards the gems & jewellery industry has been increasing in value terms; but still it is less than 3.00% during the last five years and stood at around 2.74% of the total credit deployment towards industry in 2013. Further, as the market is mainly constituted by small players, the industry faces difficulties in availing financing options. Further, the unavailability of Gold (Metal) Loans has increased the cost of financing for domestic jewelers. Traditional financing is costly due to high input costs.

- *Fluctuations in Exchange Rate*

Gems and Jewellery industry is influenced by the rupee/dollar exchange rate because it is export & import oriented industry. Any variation in the exchange rates affects the margins of the players.

- *Overregulated consumption industry and under-developed investment industry*

In terms of regulatory policy, there is a lack of differentiation between investment demand and consumption demand. As a result, while imports have surged primarily to feed investment demand, regulations have also constrained consumption demand. There is no clear policy on the investment demand of gold.

- *Large investment demand and associated supply infrastructure*

There is substantial investment demand in both jewellery and bars and coins form. This is due to the great attractiveness of gold as an investment option, the limitations of alternate investment options, and the inadequacies of financial products backed by gold. However, bars and coins in particular have limited value addition and thus make a limited contribution to industry growth. Further, the investment demand adds to the import burden, leading to regulatory actions that impact the industry. There are a number of jewellers that cater primarily to investment demand, especially in rural and semi-urban areas.

- *Limited research and technology adoption*

Innovation is critical for success in the export market and for growing the domestic segment. This requires the use of modern design and the latest technology. While the industry is adept at traditional designs, there is a lack of design-led innovations. Adding to this are sub-scale facilities that limit the use of modern technology.
(Source: FICCI Report titled "All that glitters is Gold: India Jewellery Review 2013")

Road Ahead

Exports from the gems and jewellery industry could reach US$ 58 billion by 2015, according to a joint report by Technopak and an industry body. It is further anticipated that the value of the domestic market for gems and jewellery will be around US$ 35-40 billion by 2015. Indian consumers, however, are not wholly dependent on diamonds and gold for jewellery. For instance, the costume jewellery industry in India grew at 20-30 per cent in the first half of FY14, with women showing a gradual preference for costume jewellery over gold. This market is expected to touch ₹ 15,000 crore (US$ 2.42 billion) by December 2015 - a marked increase from the ₹ 8,000 crore (US$ 1.29 billion) in December 2012.

India is also considered one of the top exporters in the sector. Key exporting destinations in FY14 were UAE at 35 per cent of exports valued at US$ 12,195.34 million; Hong Kong at 28 per cent of exports valued at US$ 9,790.45 million; and the US at 14 per cent of exports valued at US$ 4,948.92 million.
(Source: India in Business, Ministry of External Affairs, Govt. of India)

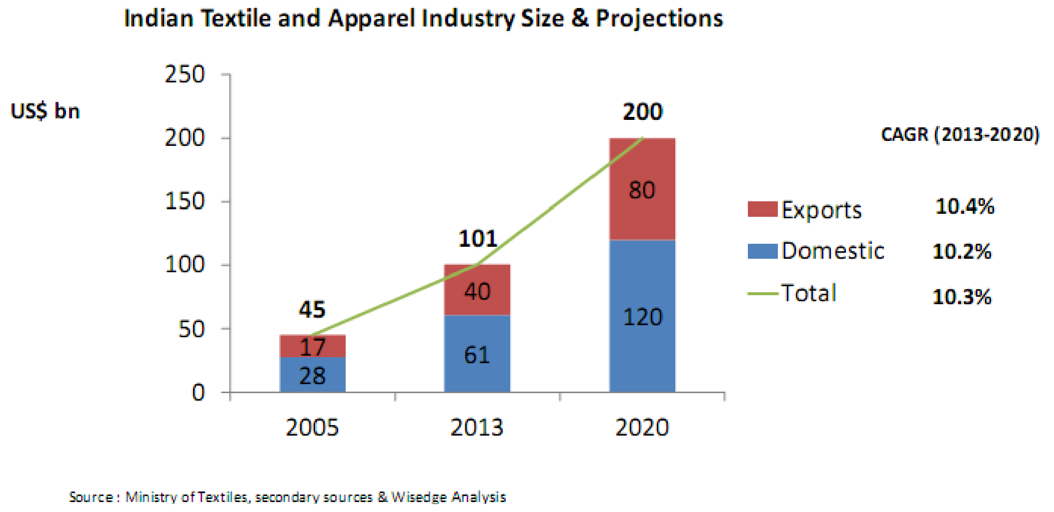
Overview of the Indian Textile and Apparel Industry

Indian textiles and apparel have a history of fine craftsmanship and global appeal. Cotton, silk and denim from India are highly popular abroad and with the upsurge in Indian design talent, Indian apparel too has found success in the fashion centres of the world.

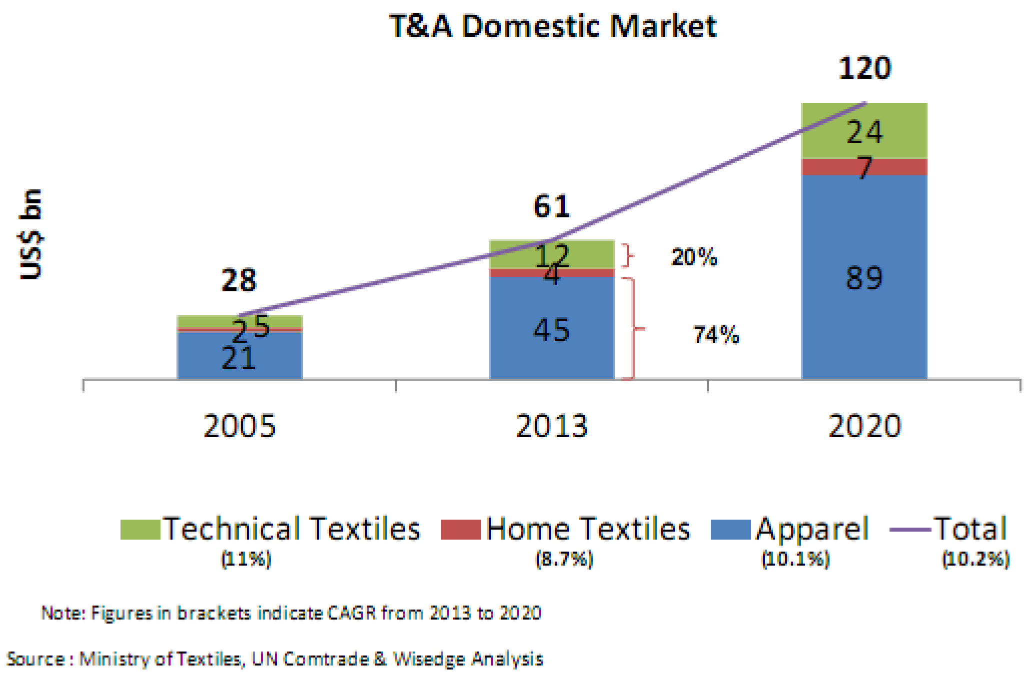
The Indian textile and apparel industry is one of the largest in the world with an enormous raw material and manufacturing base. The present domestic textile industry is estimated at US$ 33.23 billion and unstitched garments comprise US$ 8.307 billion. The industry is a significant contributor to the economy, both in terms of its domestic share and exports. It accounts for a phenomenal 14 per cent of total industrial production, contributes to nearly 30 per cent of the total exports and employs around 45 million people.
(Source: IBEF – July 2014)

Road Ahead

The Indian textiles and apparels industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The industry is expected to reach US$ 200 billion by fiscal 2020, at a CAGR of 10.25% in the next 7 years. For the textiles industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers. It will also bring in greater investments along the entire value chain – from agricultural production to final manufactured goods.



The domestic market is expected to reach US$ 120 billion by fiscal 2020, with Apparels constituting a majority share of the market, as illustrated below –



(Source: Report on "Golden Decade for India's Textile and Apparel Industry", December 2014)

For further details regarding our Industry and key risks pertaining to our Industry, please see the chapter and the section titled "*Industry Overview*" and "*Risk Factors*" beginning on pages 67 and 9 respectively, of this Draft Prospectus.

SUMMARY OF OUR BUSINESS

OVERVIEW

In the year 1970, Mr. Popatlal Mangukiya had commenced operations in the diamond market on a small scale in Surat. After witnessing rapid growth and considering the immense scope in this business, Mr. Ramesh Mangukiya and Mr. Rasik Mangukiya (sons of Mr. Popatlal Mangukiya) joined the family business. They continued the business of trading, processing, cutting, and finishing of precious stones, gems and jewellery and in the year 1997, they registered their business as a Partnership Firm, namely, M/s Perry Impex. Our Company was originally incorporated with the Registrar of Companies, Mumbai on July 22, 2010 as Perry Impex Private Limited and subsequently, pursuant to a Take Over Agreement dated October 01, 2010, among Mr. Rasik Mangukiya, Mr. Ramesh Mangukiya (collectively, the Owners of M/s Perry Impex) and our Company, our Company purchased as a going concern the entire business of M/s Perry Impex. Hence, our group has its presence in the Diamond Industry for more than four decades. For further details regarding history of our Company, please see the chapter titled "*History and Certain Corporate Matters*" beginning on page 92 of this Draft Prospectus.

We are an integrated player in the Diamond Industry with expertise ranging from manufacturing / processing to exporting of polished diamonds and diamond jewellery. Our current focus area is in coloured round diamonds and hence our offering includes OW, TTLB, Dark Brown and Black Polished Diamonds. We import rough diamonds which undergo the processes of sampling, grading, cutting and polishing and then sell these as polished diamonds in domestic and export markets. We have also begun in-house manufacturing and retailing of diamond jewellery under our newly launched *"Perrian"* brand. Our products range across different price points and cater to customers across high-end, mid-market and value market segments.

Our Company's export income comes from sale of cut and polished diamonds of various sizes, shapes and clarities, which are manufactured by us and the same has grown at a CAGR of 31.39% from Fiscal 2011 to Fiscal 2014. For details, please see "*Export Operations*" further below in this chapter.

Our diamond manufacturing activities are divided between three units in Gujarat located at Surat, Palitana and Gariyadhar. Further, for jewellery manufacturing we have hired a unit within the Surat SEZ promoted by DGDC in order to take the tax and duty benefits on imports.

We own and operate three offices at Mumbai, namely at – Opera House (Registered Office), BKC (Corporate Office) and Bharat Diamond Bourse (Marketing Office). Further, we own and operate an office at Surat which oversees our Gujarat operations.

Apart from the Gems and Jewellery business, Perry Impex has also recently built its presence in the Textile Industry through its subsidiary - Perrian Lifestyle Private Limited wherein we have taken on lease and we operate a retail store for apparels and textiles at Santacruz, Mumbai.

As per our Standalone Financials, our Revenues from Operations have grown from ₹ 28,648.69 lakhs in Fiscal 2012 to ₹ 42,868.05 lakhs in Fiscal 2014, representing a CAGR of 14.38%. Our EBITDA has increased from ₹ 634.13 lakhs in Fiscal 2012 to ₹ 2151.41 lakhs in Fiscal 2014, representing a CAGR of 50.26%. Our PAT has increased from ₹ 336.00 lakhs in Fiscal 2012 to ₹ 961.35 lakhs in Fiscal 2014, representing a CAGR of 41.96%.

As on January 31, 2015 our Company has staff strength of 44 permanent employees for its existing operations. Further, we are using services of approximately 409 persons working on a per piece basis / daily wages at our manufacturing units. For further details, please see "*Business Overview - Human Resources*" on page 85 of this Draft Prospectus.

OUR STRENGTHS

Today's dynamic markets and technologies have called into question the sustainability of a competitive advantage. We believe that following principal strengths of our company would ensure our survival and help us attain a prominent position in the market:

- ***Experience of our Promoters and senior management team***

Our Promoter family have been involved in the diamond business in India for more 40 years and have extensive experience in the Industry. Their strong relationships with suppliers, export customers and other industry participants have been instrumental in implementing our growth strategies. Our Promoters are actively involved in our operations and bring to our Company their vision and leadership which we believe has been influential in sustaining our business operations. Our management team also includes professionals with sound market knowledge and extensive experience which we believe enables us to respond to changing market conditions and evolving preferences of our customers and is essential to our overall success and our future growth. For further details regarding the education qualifications and experience of our Promoter Directors and Key Management Team please refer to "*Our Management*" beginning on page 98 of this Draft Prospectus.

- ***Significant manufacturing capabilities***

We operate three different diamond manufacturing units at Surat, Palitana and Gariyadhar. Further our jewellery is designed and processed at our own manufacturing facilities. We believe that this enables us to control costs and increase our profit margins and gives us a competitive advantage over some of our competitors who do have in-house manufacturing facilities. The process of converting a rough diamond into Cut / Polished Diamonds which are ready to be made into Jewellery is a highly skilled job and we believe that having in-house manufacturing capabilities, be it planning, sorting, grading, cutting as well as polishing for almost more than 20 years would help us in our ability to expand our top line as and when the business of exports picks up further. We believe that our large skilled workforce with knowledge and expertise in jewellery-making is also a key competitive strength that has enabled us to establish and maintain our reputation and brand.

- ***Long Standing Focus in the Coloured Round Diamond Export Market***

The diamond cutting and polishing sector is broken up into Coloured Diamonds and White Diamonds. Also, the type of finished product which sells in the market is further classified into Round Diamonds (Generic) and Fancy shaped diamonds. We have a focus and expertise in all types of coloured round diamonds, including OW, TTLB, Dark Brown (DB) and Black in various types of cuts, clarity and sizes, such that our end product range is about more than 2500 different colored diamonds. This we believe is our niche as compared to other eminent players who are more involved in White diamonds. This niche focus has helped us create a brand value in the Exports markets as well as domestically and hence would help us continue our operating performances going forward.

- ***High Credibility with our Bankers and existing lines of Credit***

The Gems and Jewellery Industry is a highly competitive and fragmented one. We have maintained an efficient liquidity and net worth position. We are enjoying a credit facility amounting to ₹ 10,765 lakhs from various bankers as on date. For further details regarding our credit facility, please see the chapter titled "*Financial Indebtedness*" beginning on page 165 of this Draft Prospectus. All our export financing is at a cost of around 11% p.a. Our ability to avail low cost export financing would help us complete with smaller unorganised players and also benefit in ensuring customer retention.

OUR STRATEGIES / FUTURE PLANS

Our strategic objective is to be one of India's premier diamond exporting and jewellery manufacturing companies, driven by our vision and commitment to our core values. Our vision is to create an entrepreneurial environment that stimulates extraordinary performance. We intend to achieve this by implementing the following strategies:

- ***Increase presence in high value addition products including customised jewellery***

Currently, we have a strong hold in the export market for cut and polished diamonds, wherein we import rough diamonds and through a meticulous process of planning, sorting, cutting, polishing and grading make them into polished diamonds of various size and shapes and thereafter sell them to our export customers. This, even though is a good steady business, is not a very high margin / high value addition business. Hence, we have begun our in-house jewellery manufacturing at Surat SEZ Office. Our wide range of product offerings caters to diverse customer segments, from the value market to high-end customized jewellery. Our product profile includes traditional, contemporary and combination designs across jewellery lines, usages and price points. Further, we also offer custom jewellery through our online jewellery business – Perrian World. With the advent of e-commerce, retail is changing more nearly than any other industry. Currently, the online jewellery industry is in its nascent stage, however, we believe it is poised to register fast growth with increasing number of online buyers in India. We believe that if we focus on design and innovation, recognize consumer preferences and market trends, we would be able to increase our presence in this field and hence improve our operating margins as well as reduce dependence on export demand.

- ***Increase our business development appetite by augmenting our available working capital resources***

We operate in a working capital intensive industry. The working capital financing ability is a key competitive trait in the polished and cut diamond export business because of the commodity nature of the product. We need working capital for raw material as well as finished goods stock and also for supporting our clients with reasonable lines of credit. Hence, we believe that in order to continue our strong revenue growth we will need to ensure that we are well funded from a working capital perspective. Hence, we propose to augment our working capital base through this IPO. For further details, please refer to "*Objects of the Issue*" on page 52 of this Draft Prospectus.

- ***Widen our network of clientele***

Our group has been in the Gems and Jewellery Industry for over four decades and our promoters maintain an ongoing relationship with our international as well as domestic customers. In addition to increasing our sales to existing customers, we propose to widen our client base by exploring opportunities in other export markets as well as domestically. Hence, we have recently set up a wholly owned subsidiary at USA in order to strengthen our presence in that region. Currently, around 31% of our average total sales for the last three years has been derived from our top 5 customers. We believe that if we are able to widen our client base and export markets we will reduce the dependence on a particular customer or export market and hence insulate ourselves from client specific loss of business in the future.

- ***Improve our internal processes and systems***

M/s. Perry Impex was originally started as a partnership concern and subsequently the same was taken over into a corporate entity. We have been operating as a family run private limited company for all these years and hence many of our internal systems and processes are highly promoter driven. We propose to improve our internal processes and systems in order to make the company less dependent on our promoter family and hence increase our ability to grow at a faster rate with investor and banking support.

- ***Continue to diversify into other business verticals***

We have recently formed a wholly owned subsidiary in the name "Perrian Lifestyle Pvt. Ltd." wherein we own 100% stake. This company is engaged in the business of marketing and distribution of apparels. A retail store has been set up at Santacruz, Mumbai which deals in various types of Apparels, details of which are mentioned below in this chapter. We believe that our time we may be able to keep partnering with other entrepreneurs and take equity stakes in such companies which would all get consolidated into our financials and provide diversification advantages to the company and its shareholders.

For further details regarding our business operations and key risks pertaining to the same, please see the chapter and section titled "*Business Overview*" and "*Risk Factors*" beginning on pages 76 and 9 of this Draft Prospectus respectively.

SUMMARY OF FINANCIAL INFORMATION

The following summary financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations 2009 and restated as described in the Statutory Auditor's Report of M/s. Ravi Seth & Co.., Chartered Accountants, dated March 18, 2015 in the chapter titled "*Financial Statements*" beginning on page 117 of this Draft Prospectus. The summary financial information presented below should be read in conjunction with our restated financial statements for the period ended September 30, 2014, and years ended March 31, 2014, 2013, 2012 and 2011 including the notes thereto and the chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 155 of this Draft Prospectus.

SUMMARY OF CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	As on Sept 30, 2014	As on March 31, 2014
EQUITY AND LIABILITIES		
Shareholder's Funds		
a) Share Capital	850.00	850.00
b) Reserves and surplus	3,485.13	3,037.36
	4,335.13	**3,887.36**
Non-current Liabilities		
a) Long Term borrowings	2,357.65	2,274.31
b) Deferred Tax Liabilities (Net)	21.84	0.68
c) Other Long Term liabilities	0.00	1.00
	2,379.49	**2,275.99**
Current Liabilities		
a) Short-Term Borrowings	6,136.63	5,768.01
b) Trade Payables	15,643.05	9,278.22
c) Other Current Liabilities	119.98	804.98
d) Short-Term Provisions	399.69	436.89
	22,299.35	**16,288.10**
TOTAL	**29,013.96**	**22,451.46**
ASSETS		
Non - Current Assets		
a) Fixed Assets		
i.) Tangible Assets	1,809.33	1,665.62
ii.) Intangible Assets	4.62	5.90
iii.) Capital Work in Progress	205.82	251.79
b) Non Current (Long -term) Investments	76.12	76.12
c) Long-Term Loans and Advances	15.79	92.26
d) Other Non-Current Assets	4.93	198.17
	2,116.61	**2,289.85**
Current Assets		
a) Inventories	7,589.12	5,664.37
b) Trade Receivables	18,129.48	12,834.65
c) Cash and Cash equivalents	786.38	665.91
d) Short-Term Loans and Advances	392.37	996.67
e) Other Current Assets	0.00	0.00
	26,897.35	**20,161.60**
TOTAL	**29,013.96**	**22,451.46**

SUMMARY OF CONSOLIDATED STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
REVENUE:		
Revenue from Operations	22,433.87	42,935.26
Other Income	189.58	208.87
Total revenue	**22,623.45**	**43,144.13**
EXPENSES:		
Cost of materials consumed	21,025.93	42,145.66
Changes in inventories of finished goods , work -in - progress and stock - in trade	64.30	(1,917.48)
Employee benefits expense	106.89	129.08
Finance cost	434.26	691.97
Depreciation and amortization expense	27.17	228.42
Other expenses	212.88	635.45
Total expenses	**21,871.43**	**41,913.10**
Net Profit / (Loss) before Tax	**752.02**	**1,231.03**
Less: Provision for Tax		
Current tax as per income tax	238.97	320.00
Deferred tax	21.16	(21.30)
(Excess) / Deficit in Provisions	0.00	(0.05)
Prior period Item Expenses / (Income)	0.00	0.00
Total	**260.13**	**298.66**
Net Profit / (Loss) for the period after tax but before extra ordinary items	**491.89**	**932.37**
Extraordinary Items	3.06	
Net Profit / (Loss) for the period before Minority Interest	**488.83**	**932.37**
Minority Interest	0.57	4.85
Net Profit / (Loss) for the period after Minority Interest	**489.40**	**937.22**
Less : Proposed Dividend	0.00	85.00
Dividend Distribution Tax	0.00	14.45
Net Profit transferred to Reserves	**489.40**	**837.77**

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Cash Flow From Operating Activities		
Net Profit Before Tax	752.02	1,231.03
Adjustments for :		
Depreciation/Amortisation	27.17	228.42
Dividend Received	0.00	0.00
Interest Received	22.51	46.71
Fixed assets written off & Others	0.00	0.00
Interest Paid	434.26	698.11
Other Provisions Adjusted	70.35	1.06
Operating Profit Before Working Capital Adjustment	1,261.29	2,111.91
Adjustment for Changes in Working Capital		
Trade and other payable	6,364.83	(5,901.61)
Inventories	(1,924.74)	(3,201.66)
Trade and other Receivables	(5,294.83)	4,762.15
Short Term Loans & Advances	604.30	(811.05)
Other Current Assets	0.00	0.00
Other Current Liabilities	(685.00)	684.21
Foreign Currency Translation Reserve Adjustment	(41.64)	
Cash Flow Generated from Operations	**284.21**	**(2,356.05)**
Income Tax and Fringe Benefit Tax Paid	246.46	213.84
Net Cash flow from Operating activities (A)	**37.75**	**(2,569.89)**
Cash Flow From Investing Activities		
(Purchase)/Sale of Fixed Assets (including WIP)	(126.71)	(1,019.23)
Purchase of Investments	0.00	0.00
Other Non-Current Assets	193.23	162.26
Long Term Loans & Advances	76.47	58.87
Other Long Term Liabilities	(1.00)	(1.80)
Dividend Received	0.00	0.00
Interest Received	22.51	46.71
Net Cash Flow from Investing Activities (B)	**164.50**	**(753.18)**
Cash Flow From Financing Activities		
Proceeds from/ (Repayment of) Borrowing	451.95	4,018.18
Proceeds from Share Capital (including Share Premium)	0.00	538.65
Interest Paid	(434.26)	(698.11)
Dividend paid incl. DDT	(99.45)	(61.02)
Net Cash Flow From Financing Activities (C)	**(81.75)**	**3,797.70**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)	**120.50**	**474.63**
Cash & Cash equivalent at the beginning of the year	665.91	191.27
Cash & Cash Equivalent at the end of the year	**786.38**	**665.91**

SUMMARY OF STANDALONE STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2014	As on March 31,			
		2014	2013	2012	2011
EQUITY AND LIABILITIES					
Shareholder's Funds					
a) Share Capital	850.00	850.00	700.00	700.00	700.00
b) Reserves and surplus	3,575.71	3,061.48	1,810.93	1,359.58	1,063.99
	4,425.71	**3,911.48**	**2,510.93**	**2,059.58**	**1,763.99**
Non-current Liabilities					
a) Long Term borrowings	2,338.96	2,256.82	141.64	116.65	643.90
b) Deferred Tax Liabilities (Net)	21.16	0.00	21.97	8.50	4.36
c) Other Long Term liabilities	0.00	1.00	2.80	1.00	1.00
	2,360.12	**2,257.82**	**166.42**	**126.16**	**649.27**
Current Liabilities					
a) Short-Term Borrowings	6,136.63	5,768.01	3,882.51	2,416.05	14,162.82
b) Trade Payables	14,748.75	9,244.69	15,179.83	1,891.03	2,459.46
c) Other Current Liabilities	119.49	804.98	120.77	141.06	38.39
d) Short-Term Provisions	398.15	436.05	291.23	192.91	63.13
	21,403.02	**16,253.73**	**19,474.34**	**4,641.04**	**16,723.80**
TOTAL	**28,188.85**	**22,423.03**	**22,151.69**	**6,826.78**	**19,137.06**
ASSETS					
Non - Current Assets					
a) Fixed Assets					
i.) Tangible Assets	1,799.22	1,657.77	925.93	99.91	89.34
ii.) Capital Work in Progress	205.82	251.78	206.55	196.50	0.00
b) Non Current (Long -term) Investments	80.73	77.63	76.12	247.12	280.07
c) Long-Term Loans and Advances	1.20	80.01	151.13	171.01	160.30
d) Other Non-Current Assets	0.00	193.80	355.57	966.06	13,118.42
	2,086.97	**2,260.98**	**1,715.30**	**1,680.60**	**13,648.13**
Current Assets					
a) Inventories	5,941.44	5,607.32	2,462.71	1,355.25	1,466.55
b) Trade Receivables	18,888.87	12,828.69	17,596.80	3,581.15	3,275.79
c) Cash and Cash equivalents	766.42	649.95	191.27	79.06	641.16
d) Short-Term Loans and Advances	505.15	1,076.09	185.61	130.73	99.83
e) Other Current Assets	0.00	0.00	0.00	0.00	5.60
	26,101. 89	**20,162.06**	**20,436.40**	**5,146.19**	**5,488.92**
TOTAL	**28,188.85**	**22,423.03**	**22,151.69**	**6,826.78**	**19,137.06**

SUMMARY OF STANDALONE STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
REVENUE:					
Revenue from Operations	23,083.30	42,868.05	31,335.71	28,648.69	17,587.64
Other Income	186.58	200.19	235.04	750.50	265.03
Total revenue	**23,269.88**	**43,068.24**	**31,570.75**	**29,399.19**	**17,852.67**
EXPENSES:					
Cost of materials consumed	21,666.58	42,026.51	29,892.75	28,111.97	17,555.18
Changes in inventories of finished goods , work -in - progress and stock - in trade	92.09	(1,860.61)	(37.32)	55.33	(169.14)
Employee benefits expense	88.01	112.71	132.41	57.35	8.33
Finance cost	434.09	667.23	399.49	157.72	64.86
Depreciation and amortization expense	25.26	224.85	43.67	16.40	5.08
Other expenses	187.33	638.21	277.12	540.40	104.04
Total expenses	**22,493.36**	**41,808.91**	**30,708.10**	**28,939.18**	**17,568.35**
Net Profit / (Loss) before Tax	**776.52**	**1,259.33**	**862.64**	**460.01**	**284.32**
Less: Provision for Tax					
Current tax as per income tax	238.07	320.00	90.81	119.87	55.13
Deferred tax	21.16	(21.97)	13.47	4.14	4.36
(Excess) / Deficit in Provisions	0.00	(0.05)	0.00	0.00	0.00
Prior period Item Expenses / (Income)	0.00	0.00	0.00	0.00	0.00
Total	**259.23**	**297.98**	**104.28**	**124.01**	**59.50**
Net Profit / (Loss) for the period after tax but before extra ordinary items	**517.29**	**961.35**	**758.37**	**336.00**	**224.83**
Extraordinary Items	3.06		246.00		
Net Profit / (Loss) for the period after tax and after extra ordinary items available for appropriation	**514.23**	**961.35**	**512.37**	**336.00**	**224.83**
Less : Proposed Dividend	0.00	85.00	52.50	35.00	0.00
Dividend Distribution Tax	0.00	14.45	8.52	5.41	0.00
Net Profit transferred to Reserves	**514.23**	**861.90**	**451.35**	**295.59**	**224.83**

SUMMARY OF STANDALONE STATEMENT OF CASH FLOWS, AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2014	Financial Year Ended			
		Mar-14	Mar-13	Mar-12	Mar-11
Cash Flow From Operating Activities					
Net Profit Before Tax	776.52	1,259.33	862.64	**460.01**	284.32
Adjustments for :					
Depreciation/Amortisation	25.26	224.85	43.67	16.40	5.08
Dividend Received	0.00	0.00	0.05	**0.06**	0.00
Interest Received	22.51	46.71	68.23	**472.68**	154.35
Fixed assets written off & Others	0.00	0.00	0.00	**5.60**	2.29
Prior Period Item				**0.00**	0.00
Interest Paid	434.09	667.23	399.49	**157.72**	64.86
Other Provisions Adjusted	69.94	0.27	13.87	24.62	8.00
Operating Profit Before Working Capital Adjustment	1,283.62	2,104.97	1,251.39	191.61	210.20
Adjustment for Changes in Working Capital					
Trade and other payable	5,504.06	(5,935.14)	13,288.80	(568.43)	2,459.46
Inventories	(334.12)	(3,144.61)	(1,107.46)	111.30	(1,466.55)
Trade and other Receivables	(6,060.18)	4,768.11	(14,015.66)	**(305.36)**	(3,275.79)
Short Term Loans & Advances	570.93	(890.48)	(54.88)	(30.90)	(99.83)
Other Current Assets	0.00	0.00	0.00	0.00	(6.22)
Other Current Liabilities	(685.49)	684.21	(20.28)	102.67	38.39
Cash Flow Generated from Operations	**278.50**	**(2,412.95)**	**(658.09)**	**(499.11)**	**(2,140.34)**
Income Tax and Fringe Benefit Tax Paid	246.47	213.84	26.96	55.13	0.00
Net Cash flow from Operating activities (A)	**32.03**	**(2,626.79)**	**(685.05)**	**(554.24)**	**(2,140.34)**
Cash Flow From Investing Activities					
(Purchase)/Sale of Fixed Assets (including WIP)	(123.80)	(1,001.92)	(879.74)	(223.46)	(96.08)
Purchase of Investments	(3.10)	(1.51)	(75.00)	32.95	(280.07)
Other Non-Current Assets	193.80	161.77	610.49	12,152.36	(13,118.42)
Long Term Loans & Advances	78.80	71.12	19.88	(10.71)	(160.30)
Other Long Term Liabilities	(1.00)	(1.80)	1.80	0.00	1.00
Dividend Received	0.00	0.00	0.05	**0.06**	0.00
Interest Received	22.51	46.71	68.23	**472.68**	154.35
Net Cash Flow from Investing Activities (B)	**167.21**	**(725.62)**	**(254.29)**	**12,423.88**	**(13,499.52)**
Cash Flow From Financing Activities					
Proceeds from/ (Repayment of) Borrowing	450.75	4,000.69	1,491.44	(12,274.02)	14,806.72
Proceeds from Share Capital (including Share Premium)	0.00	538.65	0.00	0.00	1,539.16
Interest Paid	(434.09)	(667.23)	(399.49)	(157.72)	(64.86)
Dividend paid incl. DDT	(99.45)	(61.02)	(40.41)	0.00	0.00
Net Cash Flow From Financing Activities (C)	**(82.78)**	**3,811.09**	**1,051.55**	**(12,431.73)**	**16,281.03**
Net Increase/ (Decrease) in Cash and Cash	116.48	458.68	112.20	(562.10)	641.16

Equivalents (A + B + C)					
Cash & Cash equivalent at the beginning of the year	649.95	191.27	79.06	641.16	0.00
Cash & Cash Equivalent at the end of the year	766.42	649.95	191.27	79.06	641.16

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS

Equity Shares Offered: Present Issue of Equity Shares by our Company	31,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 55 per share aggregating ₹ 1705.00 lakhs
Of which:	
Issue Reserved for the Market Makers	1,80,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 55 per share aggregating ₹ 99.00 lakhs
Net Issue to the Public	29,20,000 Equity Shares of ₹10 each for cash at a price of ₹ 55 per share aggregating ₹ 1606.00 lakhs

Equity Shares outstanding prior to the Issue	85,00,000 Equity Shares
Equity Shares outstanding after the Issue	1,16,00,000 Equity Shares
Objects of the Issue	Please see the chapter titled "*Objects of the Issue*" beginning on page 52 of this Draft 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 see the section titled "*Issue Related Information*" beginning on page 188 of this Draft Prospectus.

GENERAL INFORMATION

Our Company was incorporated as Perry Impex Private Limited on July 22, 2010 under the Companies Act, 1956, with the Registrar of Companies, Mumbai bearing Registration Number - 205838. The status of our Company was changed to a public limited company and the name of our Company was changed to Perry Impex Limited by a special resolution passed on September 05, 2014. A fresh certificate of incorporation consequent to the change of name was granted to our Company on November 03, 2014, by the Registrar of Companies, Mumbai.

For further details, please see chapter titled "*History and Certain Corporate Affairs*" beginning on page 92 of this Draft Prospectus.

Brief Company and Issue Information

Registered Office	1001-1019-1020, 10th floor, Prasad Chambers, Opera House, Mumbai 400 004 Tel No.: +91 – 22 – 23638701 / 02 Email: info@perryimpex.com Website: www.perryimpex.com
Corporate Office	404, 4th Floor, The Capital, BKC, Bandra (E), Mumbai – 400 051 Tel. No.: +91 – 22 – 40931111 Fax No.: +91 – 22 – 40931199
Date of Incorporation	July 22, 2010
Company Registration No.	205838
Company Identification No.	U36911MH2010PLC205838
Address of Registrar of Companies	100, Everest, Marine Drive, Mumbai - 400002 Tel No.: +91 – 22 – 22846955 Fax No.: +91 – 22 – 22811977
Issue Programme	Issue Opens on : [●] Issue Closes on : [●]
Designated Stock Exchange	SME Platform of BSE Limited
Company Secretary & Compliance Officer	**Mr. Darshit Parikh** 404, 4th Floor, The Capital, BKC, Bandra (E), Mumbai – 400 051 Tel No.: +91 – 22 – 40931111 Fax No.: +91 - 22 - 40931199 Email: info@perryimpex.com

Board of Directors of our Company

The following table sets forth the Board of Directors of our Company:

Name	Designation	DIN No.
Rasik Mangukiya	Chairman & Managing Director	02226186
Ramesh Mangukiya	Whole-Time Director	02964700
Vilas Mangukiya	Executive Director	06957690
Mahesh Vaghani	Non-Executive Independent Director	02796828
Sanjay Mutha	Non-Executive Independent Director	03207633
Bharat Kakadiya	Non-Executive Independent Director	06912775

For further details pertaining to the educational qualification and experience of our Directors, please see the chapter titled "*Our Management*" beginning on page 98 of this Draft Prospectus.

Note: Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy *to the SCSBs, giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection centre of the SCSB where the ASBA Application Form was submitted by the ASBA Applicants.*

Details of Key Intermediaries pertaining to this Issue and our Company

LEAD MANAGER OF THE ISSUE

ARYAMAN FINANCIAL SERVICES LIMITED
60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.),
Fort, Mumbai – 400 001
Tel. No.: +91 – 22 – 2261 8264
Fax No.: +91 – 22 – 2263 0434
Website: www.afsl.co.in
Email: ipo@afsl.co.in
Investor Grievance Email: feedback@afsl.co.in
Contact Person: Ms. Nehar Sakaria / Mr. Pranav Nagar
SEBI Registration No.: INM000011344

REGISTRAR TO THE ISSUE

Sharex Dynamic (I) Private Limited
Unit No 1, Luthra Ind. Premises,
1st Floor, 44 – E, M.Vasanji Marg,
Andheri Kurla Road, Safed Pool,
Andheri (E), Mumbai – 400 072
Tel. No.: +91 – 22 – 28515606
Fax No.: +91 – 22 – 28512885
Website: www.sharexindia.com
E- Mail: sharexindia@vsnl.com
Contact Person: Mr. Ajit Kumar
SEBI Registration No. INR000002102

LEGAL ADVISOR TO THE ISSUE

Juris Matrix (Advocates & Solicitors)
302, Apeejay House,
130, Mumbai Samachar Marg,
Fort, Mumbai – 400001
Tel No.: +91 – 22 – 2285 6164
Fax No.: +91 – 22 – 2283 4519
Contact Person: Mr. Anil Shah
Email: anil@jurismatrix.net

AUDITORS OF THE COMPANY (PEER REVIEW CERTIFIED)

Ravi Seth & Co.
25 Moon Craft Apartments,
Sherley Rajan Road, Off Carter Road,
Bandra (W), Mumbai – 400 050
Tel No.: +91 – 22 – 65977800
Contact Person: Mr. Ravi Seth
Email: office@caraviseth.com

BANKER(S) TO OUR COMPANY

[●]

BANKER(S) TO THE ISSUE

[●]

REFUND BANKER TO THE ISSUE

[●]

Self Certified Syndicate Banks

The list of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on http://www.sebi.gov.in. For details on designated branches of SCSBs collecting the ASBA Application Forms, please see the above mentioned SEBI link.

Brokers to the Issue

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

MARKET MAKER

ARYAMAN CAPITAL MARKETS LIMITED
60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.),
Fort, Mumbai – 400 001
Tel. No.: +91 – 22 – 2261 8635
Fax No.: +91 – 22 – 2263 0434
Email: aryacapm@gmail.com
Contact Person: Ms. Vinaya Panchal
SEBI Registration No.: INB011465938
Market Maker Reg. No.: SMEMM0651421122012

Statement of Inter-se Allocation of Responsibilities

Aryaman Financial Services Limited is the Sole Lead Manager to this issue, and hence is responsible for all the issue management related activities.

Monitoring Agency

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 50000 lakhs. Since the Issue size is below ₹ 50000 lakhs, our Company has not appointed a 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.

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.

Trustees

This being an Issue of Equity Shares, the appointment of trustees is not required.

Details of the Appraising Authority

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

Credit Rating

This being an Issue of Equity Shares, no credit rating is required.

Expert Opinion

Except the reports of the Peer Review Auditor of our Company on the Restated Financial Statements and on the Statement of Tax Benefits included in this Draft Prospectus, our Company has not obtained any other expert opinion.

Underwriting

This Issue is 100% Underwritten. The Underwriting agreement is dated March 16, 2015. 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:

Details of the Underwriter	No. of Shares Underwritten	Amount Underwritten (₹ in lakhs)	% of the Total Issue Size Underwritten
Aryaman Financial Services Ltd. 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 2261 8264 Fax No.: +91 – 22 – 2263 0434 Email: ipo@afsl.co.in	29,20,000	1606.00	94.19%
Aryaman Capital Markets Ltd. 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 2261 8264 Fax No.: +91 – 22 – 2263 0434 Email: aryacapm@gmail.com	1,80,000	99.00	5.81%
Total	**31,00,000**	**1705.00**	**100.00%**

As per Regulation 106 P(2) of SEBI (ICDR) Regulations, 2009, the LM has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

In the opinion of the Board of Directors (based on certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above – mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager, Aryaman Financial Services Limited have entered into an agreement dated March 16, 2015 with Aryaman Capital Markets Ltd., a Market Maker registered with the SME Platform of BSE in order to fulfil the obligations of Market Making.

The Market Maker shall fulfil 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 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 shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.

2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker 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. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and BSE SME Platform from time to time.

4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.

5. 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.

6. 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.

7. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.

8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems 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.

9. The Market Maker shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

   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 particulars point of time.

   The Market Making Agreement is available for inspection at our Corporate Office from 11.00 a.m. to 5.00 p.m. on working days.

10. **Risk containment measures and monitoring for Market Maker**: 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.

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

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

12. **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 ₹ 25000 lakhs, the applicable price bands for the first day shall be:

a. 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.
b. 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.
c. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading.

The following spread will be applicable on the BSE SME Exchange/ Platform:

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

All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

CAPITAL STRUCTURE

The share capital of the Company as at the date of this Draft Prospectus is set forth below:

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A	**Authorised Share Capital**		
	1,50,00,000 Equity Shares of face value of ₹ 10 each	1,500.00	
B	**Issued, Subscribed and Paid-up Share Capital before the Issue**		
	85,00,000 Equity Shares of face value of ₹ 10 each	850.00	
C	**Present Issue in terms of this Draft Prospectus***		
	Issue of 31,00,000 Equity Shares of ₹ 10 each at a price of ₹ 55 per Equity Share	310.00	1705.00
	Which comprises:		
	1,80,000 Equity Shares of ₹ 10 each at a price of ₹ 55 per Equity Share reserved as Market Maker Portion	18.00	99.00
	Net Issue to Public of 29,20,000 Equity Shares of ₹ 10 each at a price of ₹ 55 per Equity Share to the Public	292.00	1,606.00
	Of which:		
	14,60,000 Equity Shares of ₹ 10 each at a price of ₹ 55 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs	146.00	803.00
	14,60,000 Equity Shares of ₹ 10 each at a price of ₹ 55 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs	146.00	803.00
D	**Equity Share Capital after the Issue**		
	1,16,00,000 Equity Shares of ₹ 10 each	1,160.00	
E	**Securities Premium Account**		
	Before the Issue	388.65	
	After the Issue	1783.65	

**The present Issue has been authorized pursuant to a resolution of our Board dated November 05, 2014 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on December 17, 2014.*

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

Classes of Shares

As on date, the Company has only one class of share capital i.e. Equity Shares of ₹ 10 each.

Changes in Authorized Share Capital

Date of Change/Meeting	Existing Capital		Additional Capital		Total Capital		Remarks	Authorized Share Capital (₹)
	No. of Shares	₹ / Share	No. of Shares	₹ / Share	No. of Shares	₹ / Share		
On Incorporation	-	-	10,000	10	10,000	10	Incorporation	1,00,000
October 10, 2010	10,000	10	69,90,000	10	70,00,000	10	Increase	7,00,00,000
December 17, 2013	70,00,000	10	80,00,000	10	1,50,00,000	10	Increase	15,00,00,000

Notes to the Capital Structure

1. Share Capital History of our Company:

a) Equity Share Capital

Our Company has made allotments of Equity Shares from time to time. The following is the Equity Share Capital Build-up of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consider-ation	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
July 22, 2010	10,000	10	10.00	Subscription to MoA	Cash	10,000	1,00,000	Nil
November 18, 2010	69,90,000	10	20.90	Takeover of M/s Perry Impex	Other than Cash	70,00,000	7,00,00,000	Nil
January 23, 2014	15,00,000	10	35.91	Further Allotment	Cash	85,00,000	8,50,00,000	3,88,65,000

b) Shares allotted for consideration other than cash

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Allotted Person	Benefits Accrued to the Company
November 18, 2010	69,90,000	10	20.90	Takeover of M/s Perry Impex*	Shareholders of the Company as on the date of allotment	Nil

**The Company allotted 42,63,900 equity shares to Mr. Rasik Mangukiya and 27,26,100 equity shares to Mr. Ramesh Mangukiya pursuant to takeover of the partnership firm M/s Perry Impex.*

c) No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956.

d) No bonus shares have been issued out of Revaluation Reserves.

e) Our Company has not allotted Equity Shares during preceding one year from the date of this Draft Prospectus which may be lower than the Issue price except the following:

Date of Allotment	Name of the Allottee	Number of Shares	Allotment Price	Reasons
January 23, 2014	Rasik Mangukiya	12,55,000	35.91	Further Allotment
January 23, 2014	Ramesh Mangukiya	2,45,000	35.91	Further Allotment

f) Shareholding of our Promoters

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

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Cumulative no. of Equity shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
Rasik Mangukiya								
July 22, 2010	Subscription to MoA	Cash	6,100	10	10	6,100	0.07%	0.05%
November 18, 2010	Takeover of M/s Perry Impex*	Other than Cash	42,63,900	10	20.90	42,70,000	50.24%	36.81%
January 23, 2014	Further Allotment	Cash	12,55,000	10	35.91	55,25,000	65.00%	47.63%
Sub-total (A)						***55,25,000***	***65.00%***	***47.63%***

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Cumulative no. of Equity shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
Ramesh Mangukiya								
July 22, 2010	Subscription to MoA	Cash	3,900	10	10	3,900	0.05%	0.03%
November 18, 2010	Takeover of M/s Perry Impex*	Other than Cash	27,26,100	10	20.90	27,30,000	32.12%	23.53%
January 23, 2014	Further Allotment	Cash	2,45,000	10	35.91	29,75,000	35.00%	25.65%
September 05, 2014	Transfer	Cash	(5,000)	10	35.91	29,70,000	34.94%	25.60%
Sub-total (B)						***29,70,000***	***34.94%***	***25.60%***
TOTAL						**84,95,000**	**99.94%**	**73.23%**

Notes:

- *None of the shares belonging to our promoters have been pledged till date.*
- *All the promoters' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 2 of "Capital Structure" beginning on page 43 of this Draft Prospectus.*

g) None of the members of the Promoter Group, Directors and their immediate relatives have entered into any transactions in the Equity shares of our Company within the last six months from the date of this Draft Prospectus.

h) None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Prospectus.

2. Promoters' Contribution and other Lock-In details:

a) Details of Promoters' Contribution locked-in for 3 years

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital of our Company shall be locked-in for a period of three years from the date of Allotment of Equity Shares in this Issue. The lock-in of the Equity Shares 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.

The details of the Promoter's Equity Shares to be locked-in for a period of three years are as follows:

Name of Promoter	No. of Shares locked in[#]	As a % of Post Issue Equity
Rasik Mangukiya	15,45,700	13.33%
Ramesh Mangukiya	8,32,300	7.18%
Total	**23,78,000**	**20.50%**

For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please see Note 1(f) under "Notes to Capital Structure" on page 44 of this Draft prospectus.

We confirm that the minimum Promoter contribution of 20% as shown above 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, except the bonus shares issued, 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.

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.

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 Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as applicable.

We further confirm that our Promoters' Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.

b) Details of Shares locked-in for one year:

- Pursuant to Regulation 37 of the SEBI (ICDR) Regulations, in addition to the Promoters' Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue.

- Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of the prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.

- Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

- Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

3. Pre-Issue and Post Issue Shareholding of our Promoters and Promoter Group

Set forth is the shareholding of our Promoters and Promoter Group before and after the proposed issue:

Sr. No.	Name of Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity
A	***Promoters***				
1	Rasik Mangukiya	55,25,000	65.00%	55,25,000	47.63%
2	Ramesh Mangukiya	29,70,000	34.94%	29,70,000	25.60%
	Sub-total (A)	***84,95,000***	***99.94%***	***84,95,000***	***73.23%***
B	***Promoter Group & Relatives***				
1	Divya Mangukiya	1,000	0.01%	1,000	0.01%

Sr. No.	Name of Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity
2	Vilas Mangukiya	1,000	0.01%	1,000	0.01%
3	Jivi Mangukiya	1,000	0.01%	1,000	0.01%
4	Nayna Mangukiya	1,000	0.01%	1,000	0.01%
5	Payal Mangukiya	1,000	0.01%	1,000	0.01%
	Sub-total (B)	***5,000***	***0.05%***	***5,000***	***0.05%***
C	***Others***				
1	Nil	-	-	-	-
	Sub-total (C)	-	-	-	-
Grand Total (A+B+C)		**85,00,000**	**100.00%**	**85,00,000**	**73.28%**

4. The top ten shareholders of our Company and their Shareholding is as set forth below:

a. The top ten Shareholders of our Company as on the date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Rasik Mangukiya	55,25,000	65.00%
2	Ramesh Mangukiya	29,70,000	34.94%
3	Divya Mangukiya	1,000	0.01%
4	Vilas Mangukiya	1,000	0.01%
5	Jivi Mangukiya	1,000	0.01%
6	Nayna Mangukiya	1,000	0.01%
7	Payal Mangukiya	1,000	0.01%
8	-	-	-
9	-	-	-
10	-	-	-
	Total	**85,00,000**	**100.00%**

b. The top ten Shareholders of our Company ten days prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Rasik Mangukiya	55,25,000	65.00%
2	Ramesh Mangukiya	29,70,000	34.94%
3	Divya Mangukiya	1,000	0.01%
4	Vilas Mangukiya	1,000	0.01%
5	Jivi Mangukiya	1,000	0.01%
6	Nayna Mangukiya	1,000	0.01%
7	Payal Mangukiya	1,000	0.01%
8	-	-	-
9	-	-	-
10	-	-	-
	Total	**85,00,000**	**100.00%**

c. The top ten Shareholders of our Company two years prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Rasik Mangukiya	42,70,000	50.24%

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
2	Ramesh Mangukiya	27,30,000	32.12%
3	-		
4	-		
5	-		
6	-		
7	-		
8	-		
9	-		
10	-		
	Total	**70,00,000**	**82.36%**

5. Neither our Company, nor its Promoters, Directors and the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.

6. None of our Directors or Key Managerial Personnel hold Equity Shares in the Company, except as stated in the Chapter titled "*Our Management*" on page 98 of this Draft Prospectus.

7. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in "*Issue Procedure - Basis of Allotment*" on page 210 of this Draft Prospectus.

8. 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.

9. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

10. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines

11. 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.

12. As on date of this Draft 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.

13. As on the date of this Draft 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.

14. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.

15. Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only.

16. Except as disclosed in the Draft Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.

17. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Draft Prospectus.

18. As on date of filing this Draft Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.

19. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.

20. The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.

21. Our Company has seven (7) shareholders, as on the date of this Draft Prospectus.

22. Our Company has not revalued its assets since incorporation.

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

24. 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 the date of this Draft Prospectus until the Equity Shares to be issued pursuant to the Issue have been listed.

25. Shareholding Pattern of the Company

The following is the shareholding pattern of the Company as on the date of this Draft Prospectus:

Category code	Category of Shareholder	No. of Shareholders	Total no. of Shares	Total no. of Shares Held in Demat Form	Total shareholding as a % of total no. of shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a % of total no. of shares
(A)	**Shareholding of Promoter and Promoter Group**							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	5	84,98,000	-	99.98%	99.98%	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub Total (A)(1)	**5**	**84,98,000**	-	**99.98%**	**99.98%**		
(2)	**Foreign**							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-
	Total Shareholding of	**5**	**84,98,000**	-	**99.98%**	**99.98%**		

Category code	Category of Shareholder	No. of Shareholders	Total no. of Shares	Total no. of Shares Held in Demat Form	Total shareholding as a % of total no. of shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a % of total no. of shares
	Promoter and Promoter Group (A)= (A)(1)+(A)(2)							
(B)	**Public Shareholding**							
(1)	**Institutions**							
(a)	Mutual Funds/ UTI	-	-	-	-	-	-	-
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-
(2)	**Non-Institutions**							
(a)	Bodies Corporate	-	-	-	-	-	-	-
(b)	**Individuals**							
	(i) Individual shareholders holding nominal share capital upto ₹1 lakh	2	2,000	-	0.02%	0.02%	-	-
	(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-
(d)	Any Other (specify) – Non-Resident Entities	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**2**	**2,000**	-	**0.02%**	0.02%	-	-
	Total (A+B)	**7**	**85,00,000**	-	**100.00%**	**100.00%**		
(C)	**Shares held by Custodians and against which Depositary receipts have been issued**							
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-
	Grand Total (A+B+C)	**7**	**85,00,000**	-	**100.00%**	**100.00%**	-	-

Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoters and Promoter Group"

Sr. No.	Name of the Shareholder	Details of Shares held		Encumbered Shares		Details of Warrants / Convertible Securities		Total Shares	
		No. of shares held	As a % of (A+B+C)	No. of shares	As a % of (A+B+C)	No. of Warrants / Convertible Securities	As a % of (A+B+C)	No. of shares	As a % of (A+B+C)
1	Rasik Mangukiya	55,25,000	65.00%	-	-	-	-	55,25,000	65.00%
2	Ramesh Mangukiya	29,70,000	34.94%	-	-	-	-	29,70,000	34.94%
3	Divya Mangukiya	1,000	0.01%	-	-	-	-	1,000	0.01%
4	Vilas Mangukiya	1,000	0.01%	-	-	-	-	1,000	0.01%
5	Jivi Mangukiya	1,000	0.01%	-	-	-	-	1,000	0.01%

Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the Shareholder	Details of Shares held		Encumbered Shares		Details of Warrants / Convertible Securities		Total Shares	
		No. of shares held	As a % of (A+B+C)	No. of shares	As a % of (A+B+C)	No. of Warrants / Convertible Securities	As a % of (A+B+C)	No. of shares	As a % of (A+B+C)
1	Nayna Mangukiya	1,000	0.01%	-	-	-	-	1,000	0.01%
2	Payal Mangukiya	1,000	0.01%	-	-	-	-	1,000	0.01%

Statement showing details of locked-in shares

Nil

SECTION IV – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Objects of the Issue are to:

(a) Fund Long Term Working Capital Requirements; and

(b) Fund expenditure for General Corporate Purposes.

Further, we believe that the listing of our Equity Shares will enhance our visibility and brand name among existing and potential customers.

The main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in this Issue. Further, we confirm that the activities we have been carrying out until now are in accordance with the objects clause of our Memorandum of Association.

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

(₹ in lakhs)

Sr. No.	Particulars	Amount
1	Gross Proceeds from the Issue	1705.00
2	Less: Issue Related Expenses	55.00
	Net Proceeds of the Issue	**1650.00**

Requirement of Funds and Means of Finance

The fund requirements described below are based on management estimates and our Company's current business plan and have not been appraised by any bank or financial institution.

We intend to utilise the Net Proceeds of the Issue ("Net Proceeds") of ₹ 1650.00 lakhs for financing the objects as set forth below:

(₹ in lakhs)

Sr. No.	Particulars	Amount
1	Fund Long Term Working Capital Requirements	1600.00
2	Fund expenditure for General Corporate Purposes	50.00
	Total	**1650.00**

The entire requirements of the objects detailed above are intended to be funded from the Net 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.

In view of the dynamic nature of the sector and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.

While we intend to utilise the Net Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements. In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. In the event of any shortfall in the Net Proceeds, we will bridge the fund requirements from internal accruals or debt/equity financing.

Details of the Objects

1. ***Fund Long Term Working Capital Requirements***

Working Capital Cycle:

We operate as manufacturer of diamonds and jewellery products. We procure rough diamonds in large quantities from major suppliers and then we process these diamonds by cutting, polishing and grading as per demand requirements of the market and dispatch the finished product to the customer.

The lead time for procuring diamonds is high and also in order to ensure readily available customized product along with a low lead time for our customers, we need to stock different grades and dimensions of diamonds to meet varied need of our customers. Further, we are required to provide sufficient credit period to our customers resulting in high receivables.

We have been constantly increasing our processing capabilities and as a result of which our turnover has increased from standalone sales of ₹ 17,587.64 lakhs in FY 2011 to standalone sales of ₹ 42,868.05 lakhs in FY 2014. After recently setting up a facility in Surat, we expect to further increase our sales volumes and hence require higher working capital. Further, due to changes in norms at various site holders or mining companies we believe that we shall not get enough credit from them in the future and we may have to buy more material on a "Cash on delivery" basis or lesser credit periods in the future. This too is one of the major reasons for increase in our working capital requirements.

Further, we have recently increased our focus on jewellery manufacturing and trading as we believe that it shall have a positive impact on our operating margins. We shall hence require additional working capital for this business vertical in the long run.

Basis of estimation of working capital requirement and estimated working capital requirement:

(₹ in lakhs)

Sr. No.	Particulars	Holding Levels (days)	Fiscal 2014	Holding Levels (days)	Fiscal 2016
I.	**Current Assets:**				
1.	Inventories *(including WIP & finished goods)*				
2.	Sundry Debtors	47	5,607.32	55	8,233.00
3.	Cash and Bank Balances	108	12,828.69	107	16,060.00
4.	Other Current Assets (including Capital Exp)	5	649.95	1	93.00
	Total Current Assets (A)	9	1,076.09	1	200.00
			20,162.06		**24,586.00**
II.	**Current Liabilities**				
1.	Sundry Creditors				
2.	Other Current Liabilities	79	9,244.69	36	5,041.00
	Total Current Liabilities (B)	11	1,224.20	7	953.00
			10,468.89		**5,994.00**
III.	**Total Working Capital Gap (A – B)**				
			9,693.17		**18,593.00**
IV.	**Funding Pattern:**				
1.	Working Capital Facilities from Banks*		5,476.85		10,000.00*
2.	Internal Accruals / Owned Funds		4,216.32		6,993.00
3.	Part of the Net proceeds to be utilised		0.00		1,600.00

**Our company has been sanctioned working capital facilities consisting of an aggregate fund based limit of ₹ 8,000 lakhs. For further details regarding our working facilities, please see the Chapter titled "Financial Indebtedness" beginning on page 165 of this Draft Prospectus.*

Hence, our Company proposes to utilise ₹ 1600.00 lakhs of the Net Proceeds towards working capital requirements for meeting our future business requirements.

Justification for "Holding Period" levels

Inventories	The Company expects to further diversify its inventory portfolio going ahead by including larger size diamonds (which have higher operating margins) and also keep the stock of various grades in line with the requirement of its customers. The lead time to manufacture larger size diamonds is higher than smaller ones. Hence the inventory holding period for FY 2016 has been estimated to be 55 days as compared to 47 days in FY 2014.
Debtors	We cater to various customers in different export markets and we propose to increase our geographical reach further by opening offices abroad. Depending upon customer to customer, we provide credit upto 90 to 120 days period. With the newly set-up unit at Surat we expect to increase our production and sales thereby further expanding our customer base. However, we do not propose to vary our credit terms much Hence, the receivables period for FY 2016 is estimated to be 107 days similar to the 108 days for FY 2014.
Creditors	We propose to improve our procurement process by buying more material on a "COD" basis so that we can get better pricing and preference in quality from the international suppliers. We believe that the core competition in diamonds manufacturing going forward is towards better sourcing of rough diamonds. Hence we propose to reduce our creditor period from 79 days in FY 2014 to around 36 days in FY 2016.

2. Fund expenditure for General Corporate Purposes

We propose to deploy the balance Net Proceeds of the Issue aggregating ₹ 50.00 lakhs towards general corporate purposes, including but not restricted to strategic initiatives, capital investment or fund based support to our subsidiary companies, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or any other purposes as may be approved by our Board.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

3. Achieve the benefits of listing on the Stock Exchanges

We believe that equity capital markets is an ideal source for meeting long term as well as working capital funding requirements of a growing company like ours. In addition, the listing of our Equity Shares will, among other things, enhance our visibility, pre-qualification credibility and brand name among our existing and potential customers. We also believe that as a listed entity we would be able to attract high quality and talented personnel and also be able to increase our credibility to prospective lenders or joint venture partners in the future.

Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the Net Proceeds in the aforesaid objects in the Fiscal year 2015-16. For details of the estimated schedule of deployment of funds, please see "*Basis of estimation of working capital requirement and estimated working capital requirement*" on page 53 of this Draft Prospectus.

Appraisal of the Objects

None of the objects for which the Net Proceeds will be utilised have been financially appraised. The estimates of the costs of objects mentioned above are based on internal estimates of our Company.

Issue related Expenses

The expenses for this Issue include lead management fees, underwriting and selling commission, market making fees, registrar's fees, advertisement and marketing expenses, printing and distribution expenses, IPO Grading expenses, legal fees, SEBI filing fees, bidding software expenses, depository charges and listing fees to the Stock Exchanges.

The details of the estimated Issue expenses are set forth below:

Issue related expenses activity	Total Expense*	As a % of total estimated Issue Expenses*	As a % of the Issue Size*
Issue Management fees including underwriting and selling commissions, market making fees, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses	44.50	80.91%	2.61%
Printing & Stationery, Distribution, Postage, etc.	2.50	4.55%	0.15%
Advertisement & Marketing Expenses	3.00	5.45%	0.18%
Regulatory & other expenses	5.00	9.09%	0.29%
Total Estimated Issue related Expenses	**55.00**	**100.00%**	**3.23%**

Bridge Financing

We have not entered into any bridge finance arrangements that will be repaid from the Net Proceeds of the Issue. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.

Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance additional working capital needs will be repaid from the Net Proceeds of the Issue. For further details in relation to our borrowing arrangements, please see the Chapter titled *"Financial Indebtedness"* beginning on page 165 of this Draft Prospectus.

Interim Use of Funds

Our management, in accordance with the policies established by the Board, will have flexibility in deploying the Net Proceeds. Pending utilisation for the purposes described above, we intend to temporarily invest the funds in interest/dividend bearing liquid instruments including investments in mutual funds, for the necessary duration. Such investments would be in accordance with the investment policies approved by our Board of Directors from time to time. Our Company confirms that pending utilisation of the Net Proceeds it shall not use the funds for any investments in the equity markets. There are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds or estimated cost as above with our Promoters, our Directors, our key managerial personnel, associate and Group Companies. No part of the Net Proceeds will be paid by us as consideration to our Promoters, Promoter Group, our Directors, Group Companies or key managerial employees, except in the normal course of our business.

Monitoring of Utilisation of Funds

As this is an Issue for less than ₹ 5000 million, there is no requirement for the appointment of a monitoring agency. Our Board of Directors shall monitor the utilisation of the Net Proceeds.

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

BASIC TERMS OF ISSUE

Terms of the Issue

The Equity Shares, now being offered, are subject to the terms and conditions of this Prospectus, the Application form, the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, BSE, RBI, RoC and / or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

Authority for the Issue:

The present issue has been authorized pursuant to a resolution of our Board dated November 05, 2014 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders on December 17, 2014.

Other Details

Face Value	The Equity Shares having a face value of ₹ 10 each are being offered in terms of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.
Issue Price	The Equity Shares pursuant to this Prospectus are being offered at a price of ₹ 55 each.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is 2,000 (Two Thousand) and in multiples of 2,000 thereafter; subject to a minimum allotment of 2,000 Equity Shares to the successful applicants.
Terms of Payment	Applications should be for a minimum of 2,000 equity shares and 2,000 equity shares thereafter. The entire price of the equity shares of ₹ 55 per share (₹ 10 face value + ₹ 45 premium) is payable on application. In case of allotment of lesser number of equity shares than the number applied, the excess amount paid on application shall be refunded by us to the applicants.
Ranking of the Equity Shares	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank *pari-passu* in all respects including dividends with the existing Equity Shares of the Company. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

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.

BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 55 per Equity Shares and is 5.5 times of the face value. Investors should read the following basis with the sections titled "Risk Factors" and "Financial Information" and the chapter titled "Business Overview" beginning on pages 9, 117 and 76 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

We believe that the following strengths help differentiate us from our competitors and enable us to compete successfully in our industry:

- ✓ *Experience of our Promoters and senior management team*
- ✓ *Significant manufacturing capabilities*
- ✓ *Long Standing Focus in the Coloured Round Diamond Export Market*
- ✓ *High Credibility with our Bankers and existing lines of Credit*

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see "*Business Overview – Our Strengths*" on page 77 of this Draft Prospectus.

Quantitative Factors

Information presented in this chapter is derived from our standalone and consolidated restated financial statements prepared in accordance with Indian GAAP.

1) Earnings per Share (EPS)

Year ended March 31	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
	Standalone		
2014	13.21	13.21	3
2013	7.32	7.32	2
2012	4.80	4.80	1
Weighted Average	**9.85**	**9.85**	

1) The Basic and Diluted EPS for period ended September 30, 2014 on standalone basis is 6.05 (not annualised)
2) The Basic and Diluted EPS for period ended September 30, 2014 and year ended March 31, 2014 on consolidated basis was ₹ 5.76 (not annualised) and ₹ 12.87 respectively.

Notes:

a. Basic EPS has been calculated as per the following formula:
(Net profit/ (loss) as restated, attributable to Equity Shareholders)/ (Weighted average number of Equity Shares outstanding during the year/period)
b. Diluted EPS has been calculated as per the following formula:
(Net profit/ (loss) as restated, attributable to Equity Shareholders)/ (Diluted weighted average number of Equity Shares outstanding during the year/period)
c. Earnings per share calculations are in accordance with Accounting Standard 20 "Earnings per Share" prescribed by the Companies (Accounting Standard) Rules, 2006
d. The face value of each Equity Share is ₹ 10.

2) Price Earnings Ratio (P/E) in relation to the Issue price of ₹ 55 per share of ₹ 10 each

Sr. No.	Particulars	Consolidated	Standalone
A	P/E ratio based on basic EPS for the Fiscal 2014 at the Issue Price		4.16
B	P/E ratio based on diluted EPS for the Fiscal 2014 at the Issue Price		4.16
C	P/E ratio based on basic Weighted average EPS at the Issue Price		5.58
D	P/E ratio based on diluted Weighted average EPS at the Issue Price		5.58

E	Industry P/E*		32.6

Source: Capital Market Volume XXX/02, March 16-29, 2015; Segment: Diamond Cutting / Jewellery

3) Return on Networth (RoNW)

Year ended March 31	RoNW (%) Standalone	Weight
2014	24.58	3
2013	20.41	2
2013	16.31	1
Weighted Average	**21.81**	

RoNW for Fiscal 2014 on consolidated basis was 24.11%.

Note: Return on Net worth has been calculated as per the following formula:
Net profit/loss after tax, as restated / Net worth excluding preference share capital and revaluation reserve

4) Minimum Return on Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2014

Sr. No.	Particulars	Consolidated	Standalone
A	At the Issue Price on basic EPS		24.06
B	At the Issue Price on diluted EPS		24.06

5) Net Asset Value (NAV)

Particulars	Standalone NAV (in ₹)
NAV as at March 31, 2014	46.02
NAV as at March 31, 2013	35.87
NAV as at March 31, 2012	29.42
Issue Price	55.00
NAV after the Issue	52.85

NAV as at March 31, 2014 on consolidated basis was ₹ 45.73.

Note: Net Asset Value has been calculated as per the following formula:
Net worth excluding preference share capital and revaluation reserve/ Weighted average number of Equity shares outstanding during the year/ period.

6) Comparison with Industry peers

Particulars	Fiscal 2014[1]				
	Face Value (₹)	EPS (₹)	P/E Ratio[2]	RONW (%)	NAV (₹)
C. Mahendra Exports Limited	10.00	0.84	15.06	0.96%	84.97
Goenka Diamond and Jewels Limited	1.00	0.02	80.50	0.20%	9.52
Shrenuj and Company Limited	2.00	3.64	13.15	5.05%	72.16
Source: Company Annual Reports					
Perry Impex Limited	10.00	13.21	4.16[3]	24.58%	46.02

[1] *All Peer Comparisons are for Financials on Standalone basis*
[2] *Based on closing price of the stock as on March 19, 2015*
[3] *Issue price as disclosed in this Prospectus / EPS*

7) The Company in consultation with the Lead Manager believes that the issue price of ₹ 55 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 Financial Statements included in this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is 5.5 times of the face value i.e. ₹ 55 per share.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors,
Perry Impex Limited
Mumbai

Dear Sirs,

Subject: Statement of Possible Tax Benefits

We hereby certify that the enclosed annexure states the possible tax benefits available to Perry Impex Limited (the "Company") and to the Equity Shareholders of the Company under the provisions of the Income-tax Act, 1961 and Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its Equity Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its Equity Shareholders to derive tax benefits is dependent upon fulfilling such conditions.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications arising out of their participation in the proposed Initial Public Offer of Equity Shares of the Company particularly in view of ever changing tax laws in India.

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

a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
b) The conditions prescribed for availing the benefits have been / would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the Income- Tax Act, 1961 and Wealth Tax Act, 1957 as of date.

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

For **Ravi Seth & Co.**
Chartered Accountants
(Firm Registration No.: 108757W)

Ravi Seth
Membership No.: 016808

Place: Mumbai
Date: March 18, 2015

STATEMENT OF TAX BENEFITS

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

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

SPECIAL TAX BENEFITS TO THE COMPANY

Tax benefit under section 10AA of the IT Act as follows:

For unit at the Special Economic Zone Sachin, Surat, the unit has started operation in the financial year 2009-10 the unit qualifies for a tax exemption under section 10AA and the amount exempt would be 100% of the profits for the first five Assessment year, 50% for the next five Assessment year and upto 50% for the balance 5 years equivalent to profits ploughed back for the investment.

GENERAL TAX BENEFITS TO THE COMPANY (Under the Income-Tax Act)

1. In accordance with section 10(34), dividend income (referred to in section 115-O) will be exempt from tax.

2. In case of loss under the head "Profit and Gains from Business or Profession", it can be set-off with other income and the excess loss after set-off can be carried forward for set-off with the business income of the next eight Assessment Years.

3. In accordance with section 32(1)(ii), the company can claim depreciation on specified tangible (being Buildings, Plant & Machinery, Computer and Vehicles) and intangible assets (being Knowhow, Copyrights, Patents, Trademarks, Licenses, Franchises or any other business or commercial rights of similar nature acquired on or after 1st April, 1998) owned by it and used for the purpose of its business. In case of any new plant and machinery (other than ships and aircraft) that will be acquired and installed by the company engaged in the business of manufacture or production of any article or thing, the company will be entitled to a further sum equal to twenty per cent of the actual cost of such machinery or plant subject to conditions specified in section 32 of the Act.

4. In case of loss under the head "Profit and Gains from Business or Profession", it can be set-off with other income and the excess loss after set-off can be carried forward for set-off with the business income of the next eight Assessment Years.

5. If the company invests in the equity shares of another company, as per the provisions of Section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income if the transaction is chargeable to securities transaction tax.

6. Income received in respect of the units of mutual fund specified under clause 10 (23D) or income received in respect of units from administrator of the specified undertakings or income received in respect of units from the specified company is exempt from tax in the hand of the company, under section 10 (35) of the I.T.Act.

7. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

   - 20 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed after indexation of the cost. Or

   - 10 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed without indexation.

8. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 percent (plus applicable surcharge and "Education Cess") and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.

9. In accordance with section 35D, the company is eligible for deduction in respect of specified preliminary expenditure incurred by the company in connection with extension of its undertaking or in connection with setting up a new unit for an amount equal to 1/5th of such expenses for each of the five successive previous years beginning with the previous year in which the extension of the undertaking is completed or the new unit commences production or operation, subject to conditions and limits specified in that section.

10. In accordance with section 35DDA, the company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement for an amount equal to 1/5th of the amount so paid for that previous year, and the balance in four equal installments for each of the succeeding previous years subject to conditions specified in that section.

11. In accordance with section 35, the company is eligible for –

    - Deduction in respect of any expenditure (not being in the nature of capital expenditure) on scientific research related to the business subject to conditions specified in that section.

    - As per section 35(2AA) a deduction of 200% shall be allowed as a deduction of the sum paid by the company, to a National Laboratory or a University or an Indian Institute of Technology or a specified person as specified in this section with a specific direction that the sum shall be used for scientific research undertaken under a programme approved in this behalf by the specified authority subject to conditions specified in that section.

12. In accordance with section 80-IA, the company can claim, subject to fulfilment of certain conditions, deduction of an amount equal to hundred percent of the profits and gains derived from the business of, development of Infrastructure facilities including construction of roads, bridges, rail systems, highways, irrigation projects, ports etc, for Ten consecutive assessment years out of Twenty years beginning from the year in which the company develops such facility.

13. The amount of tax paid under section 115JB by the company for any assessment year beginning on or after April 1, 2006 will be available as credit for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provisions of section 115JAA of the Act.

Section 115O

- Tax on distributed profits of domestic companies.

- Any amount declared, distributed or paid by company by way of dividend shall be charged to additional income tax at the rate of 15% plus applicable surcharge and education cess.

Tax Rates

- The tax rate is 30%

- The surcharge on Income Tax is 5% if the taxable income exceeds ₹1,00,00,000/-, Education Cess is 3%

SPECIAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

Nil

GENERAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

I. Under the Income-Tax Act

A. Resident

1. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) on or after April 1, 2003 will be exempt from tax.

2. Shares of the Company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long term capital asset.

3. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income if the transaction is chargeable to securities transaction tax.

4. As per the provision of section 71, if there is a loss under the head "Capital Gain", it cannot be set-off with the income under any other head. Section 74 provides that the short term capital loss can be set-off against any long term capital gain. But Long Term Capital Loss cannot be set-off against short term capital gain.

5. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of :

   a. 20 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed after indexation of the cost. Or
   b. 10 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed without indexation.

6. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 percent (plus applicable surcharge and "Education Cess") and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.
7. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified asset notified for the purpose of investment is Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding ₹50 lakhs.

   If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

   If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

8. In accordance with section 54ED, capital gain arising on the transfer of a long-term capital asset being listed securities on which securities transaction tax is not payable, shall be exempt from tax provided the whole of the capital gain is invested within a period of six months in equity shares forming part of an eligible issue of capital.

   If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

   If the specified equity shares are sold or otherwise transferred within a period of one year from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified equity shares are transferred.

   The cost of the specified equity shares will not be eligible for deduction under section 80C.

9. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family.

- Owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
- purchases another residential house within a period of one year after the date of transfer of the shares; or
- constructs another residential house within a period of three years after the date of transfer of the shares; and
- the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

B. Non-Residents

a. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) will be exempt from tax.

b. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.

c. In accordance with section 48, capital gains arising out of transfer of capital asset being shares in the company, and such transaction is not chargeable to securities transaction tax, shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing / arising from every reinvestment thereafter and sale of shares or debentures of an Indian company including the Company.

d. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be at the rate of 20% (plus applicable surcharge and additional surcharge called as "Education Cess").

e. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 percent (plus applicable surcharge and "Education Cess") and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.

f. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified asset notified for the purpose of investment is Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding ₹50 lakhs.

   If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

   If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

g. In accordance with section 54ED, capital gain arising on the transfer of a long-term capital asset being listed securities on which securities transaction tax is not payable, shall be exempt from tax provided the whole of the capital gain is invested within a period of six months in equity shares forming part of an eligible issue of capital.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified equity shares are sold or otherwise transferred within a period of one year from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified equity shares are transferred.

The cost of the specified equity shares will not be eligible for deduction under section 80C.

h. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family.
   - Owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
   - purchases another residential house within a period of one year after the date of transfer of the shares; or
   - constructs another residential house within a period of three years after the date of transfer of the shares; and
   - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

   If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

   If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

C. Non-Resident Indians

Further, a Non-Resident Indian has the option to be governed by the provisions of Chapter XII-A of the Income-tax Act, according to which:

1. In accordance with section 115E, income from investment or income from long-term capital gains on transfer of assets other than specified asset of the company shall be taxable at the rate of 20% (plus applicable surcharge and "Education Cess"). In case of income by way of long term capital gains in respect of a specified asset, shall be chargeable at 10% plus applicable surcharge and "Education Cess")

2. In accordance with section 115F, subject to the conditions and to the extent specified therein, long -term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is invested within six months of the date of transfer in any specified asset.

3. In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Income Tax Act.

4. In accordance with section 115-I, where a Non-Resident India opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the Company) will be computed and tax will be charged according to the other provisions of the Income-tax Act.

5. As per the provisions of section 90, the NRI shareholder has an option to be governed by the provisions of the tax treaty, if they were beneficial than the domestic law wherever India has entered into Double Taxation Avoidance\ Agreement (DTAA) with the relevant country.

D. Foreign institutional investors (FIIs)

1. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) on or after April 1, 2003 will be exempt from tax in the hands of Foreign Institutional Investors (FIIs).

2. In accordance with section 115AD, FIIs will be taxed at 10% (plus applicable surcharges and “Education Cess”) on long-term capital gains in respect of securities (other than units referred to in section 115AB) listed in a recognised stock exchange in India in accordance with the provisions of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), and any rules made there under

3. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.

E. Mutual Funds

In accordance with section 10(23D), any income of:

i. a Mutual fund registered under the Securities and Exchange Board of India Act 1992 or regulations made there under;
ii. such other Mutual Fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf, will be exempt from income-tax.

F. Under the Wealth Tax and Gift Tax Acts

1. "Asset" as defined under-section 2(ea) of the Wealth-tax Act, 1957 does not include shares in companies and hence, these are not liable to wealth-tax.

2. Gift tax is not levied in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift-tax.

SECTION V – ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

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

OVERVIEW OF THE GLOBAL AND INDIAN ECONOMY

Global Scenario

Since the fifth bi-monthly monetary policy statement of December 2014, the International Monetary Fund (IMF) has revised its forecasts for growth in 2015 and 2016 downwards. However, these forecasts are higher than the estimates for 2014. In the United States, growth moderated towards the end of 2014, with the boost to consumption demand from the fall in crude prices more than offset by the drag on net exports from a strong US dollar. In the Euro area, economic conditions have deteriorated in an environment of deflationary pressures, political tensions in Greece and still-elevated levels of unemployment. Demand in Japan is only just beginning to recover from the impact of the consumption tax increase last year, notwithstanding massive monetary and fiscal accommodation. The yen's depreciation, however, is helping support exports. In China, growth is slowing because of a weakening property market and excess capacity in several industries. This has prompted targeted measures to ease financial constraints faced by corporations and banks. In other emerging markets and developing economies (EMDEs), growth has weakened sharply for oil exporters, whereas inflationary pressures, subdued investment appetite and a neutral fiscal stance continue to dampen growth in non-oil exporters.

The announcement of massive quantitative easing by the European Central Bank (ECB) in late January has reinvigorated financial risk taking, boosting stock markets across the world, even though many market participants have read the softness in crude prices and the ECB's announcement as signifying a weaker global economic outlook. Along with the growing belief that the US Fed will stay on hold longer than previously thought, bond yields in advanced economies have fallen to historic lows. Financial markets remain vulnerable to uncertainty surrounding monetary policy normalisation in AEs as well as possibly weaker growth in China and oil exporting EMEs.

After the unexpected shock from the May 2013 tapering indication by the US Fed, global financial markets have weathered the initial dose of actual tapering of the quantitative easing quite well. However, the global interest rate cycle has just begun to turn. Moreover, a large part of the withdrawal of monetary accommodation by AEs remains to play out. Consequently, capital flows to EMDEs could remain volatile, even if they do not retrench. Also, with corporate leverage rising in many EMDEs, capital flow volatility could translate into liquidity shocks impacting asset prices.
(Source: Macroeconomic and Monetary Developments 2014-15 (An Update) and Monetary Policy Statement for 2014-15; RBI Publication)

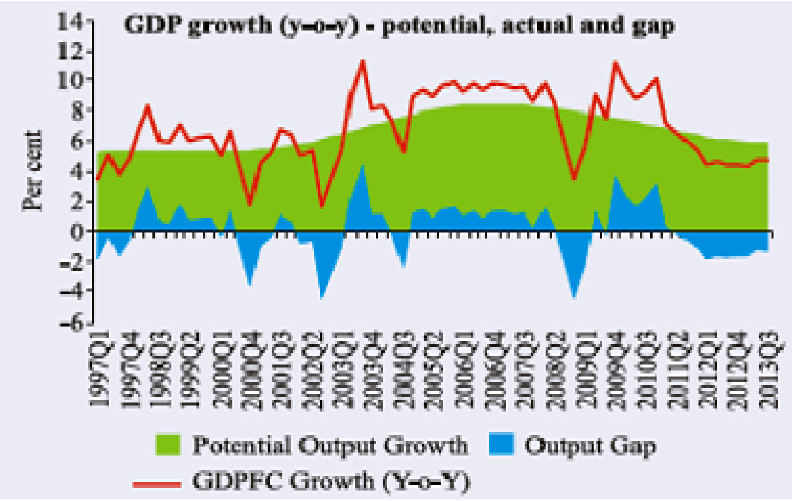
Indian Scenario

While the global environment remains challenging, policy action in India has rebuilt buffers to cushion it against possible spillovers. These buffers effectively bulwarked the Indian economy against the two recent occasions of spillovers to EMDEs — the first, when the US Fed started the withdrawal of its large scale asset purchase programme and the second, which followed escalation of the Ukraine crisis. On both these occasions, Indian markets were less volatile than most of its emerging market peers. With the narrowing of the twin deficits – both current account and fiscal – as well as the replenishment of foreign exchange reserves, adjustment of the rupee exchange rate, and more importantly, setting in motion disinflationary impulses, the risks of near-term macro instability have diminished. However, this in itself constitutes only a necessary, but not a sufficient, condition for ensuring economic recovery. Much more efforts in terms of removing structural impediments, building business confidence and creating fiscal space to support investments will be needed to secure growth.

Delayed fiscal adjustment materialised only in H2 of 2012-13, by which time the current account deficit (CAD) had widened considerably. However, since H2 of 2012-13, demand management through monetary and fiscal policies has been brought in better sync with each other with deficit targets being largely met. Recent tightening, especially the last round of hike in January 2014, was aimed at containing the second round effects of the food price pressures felt during June-November 2013. Since then, inflation expectations have somewhat moderated and the temporary relative price shock from higher vegetable prices has substantially corrected along with a seasonal fall in these prices, without further escalation in ex-food and fuel CPI inflation. While headline CPI inflation receded over the last three months from 11.2 per cent in November 2013 to 8.1 per cent in February 2014, the persistence of ex-food and fuel CPI inflation at around 8 per cent for the last 20 months poses difficult challenges to monetary policy.

Growth in the Indian economy had been shifting down from 9.6 per cent in Q4 of 2010- 11. It troughed around 4.4 per cent for three quarters from Q3 of 2012-13 to Q1 of 2013-14. Since then there are signs of growth bottoming out with marginal improvement recorded during Q2 and Q3 of 2013-14 to 4.8 and 4.7 per cent respectively. However, this improvement has been feeble and clear signs of recovery are yet to emerge, even as the economy seems to be gearing for a modest recovery during 2014-15.

The downward spiral in growth caused in large part by structural factors that impeded investment activity had a profound effect on India's potential growth. On the basis of quarterly output levels, India's potential growth appears to have dropped from 8-8.5 per cent during the period Q2:2005-06 to Q3:2008-09 to around 6 per cent during the period Q2:2012-13 to Q3:2013-14.



(Source: Macroeconomic and Monetary Developments 2014-15 (An Update), RBI Publication)

The wide range of estimates using alternative techniques, on balance, suggests that currently the potential growth may be even somewhat lower than 6.0 per cent. Decline in financial savings, sluggish growth in fixed capital formation over successive quarters, persistently high inflation and low business confidence contributed to the decline in potential growth, particularly in the absence of adequate structural policy measures to lower inflation on a durable basis through improved supply responses and to facilitate implementation of large investment projects. Estimates of potential output are subject to considerable uncertainties given that they are sensitive to choice of methodologies, the time period used for estimation and end-period growth rates and have to be interpreted with judgment. On current reckoning, the economy seems to be running a negative output gap of about one percentage point, though the error bands around this estimate are wide.
(Source: Macroeconomic and Monetary Developments 2014-15 (An Update), RBI Publication)

OVERVIEW OF THE GEMS AND JEWELLERY INDUSTRY

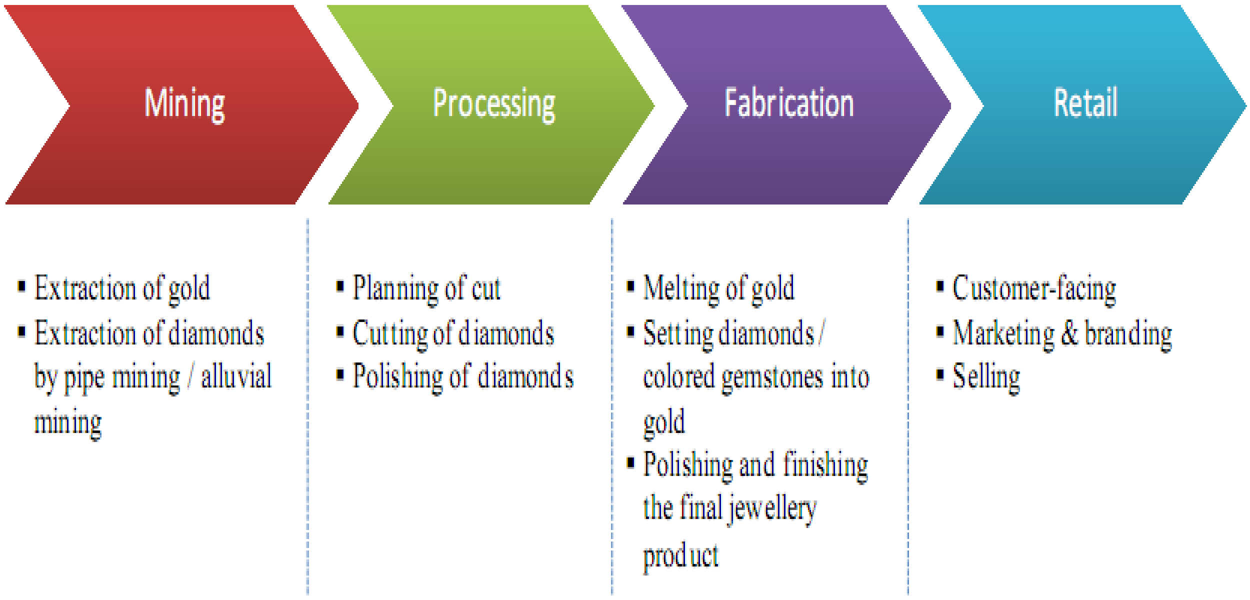
The jewellery market worldwide has grown steadily over the last few years while it slowed down during the global economic recession but is likely to grow at a faster rate compared to the growth rate of past three years. The value of world's jewellery market is expected to grow at the CAGR of over 5% over the next five years. The global market for jewellery is expected to surpass USD 257 Billion revenues by 2017. The market is predominantly driven by the Asia Pacific and the Middle Eastern markets, but U.S. continues to remain the dominant player in the industry.

U.S. currently accounts for the largest jewellery market in the world with more than half of its market being dominated by the diamond jewellery segment. Regionally, Asia Pacific holds the world's largest jewellery market and is being driven largely by China and India which are the two largest consumers of gold in the world and also hold majority of the processing and manufacturing industry for jewellery. The global market is now witnessing an improvement in the jewellery sales overall and with the rising disposable incomes and changing lifestyles; the global jewellery market is set

to experience a strong growth over the coming years. However, the market is still challenged by the large unorganized markets, particularly in the developing economies.
(Source: Global Gems and Jewellery Market Forecast & Opportunities, 2018)

Value Chain of the Industry

The overall value chain of the gems and jewellery sector is as depicted below:



<u>Overview of the Gems and Jewellery Industry in India</u>

The two primary segments of the sector in India are gold jewellery and diamonds. India is the world's largest consumer of gold, accounting for over 20 per cent of the global gold consumption. The country is also the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. India exports 95 per cent of the world's diamonds.
(Source: India Brand Equity Foundation – June 2014)

Market Size of the Industry

The Jewellery Market in India is expected to grow at a CAGR of 15.95 per cent over the period 2014-2019, according to a report by Research and Markets. The cumulative foreign direct investment (FDI) inflows in diamond and gold ornaments in the period April 2000-December 2014 were US$ 476 million, according to Department of Industrial Policy and Promotion (DIPP). FY14 saw an increase of 12.65 per cent in export of cut and polished diamonds with the segment reaching US$ 19,635 million. The industry also witnessed a rise of 11.98 per cent in imports of rough diamonds with figures of US$ 16,716 million.
(Source: India Brand Equity Foundation – February 2015)

Exports

In FY 2013–14, the Indian gems and jewellery sector contributed US$ 34,746.90 million to India's foreign exchange earnings. Polished diamond export registered an increase of 12.64 per cent at US$ 19 billion compared to same period in previous year. The key export destinations for Indian gems and jewellery in 2013-14 were UAE with 35 per cent of export valued at $12 billion followed by Hong Kong at 28 per cent with value of US$ nine billion and USA at 14 per cent with export value of US$ five billion.
(Source: India Brand Equity Foundation – July 2014)

The following charts show year-wise exports of Gems and Jewellery for the last ten years –

[Value US $ in Million]

Sr. No.	ITEMS	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (p)
1	C&P DIAMONDS	11163	11831	10910	14205	14804	18244	28221	23356	17431	19,643
2	COLOURED GEM STONES	193	234	247	276	261	287	315	344	653	520
3	GOLD JEWELLERY	3784	3882	5209	5562	8746	9679	7763	9797	13038	8,122
	Gold Medallions & Coins	0	0	0	0	0	0	4939	6989	5235	3,069
4	PEARLS	3	2	2	4	4	3	4	4	5	10
5	SILVER JEWELLERY	129	146	175	229	237	416	566	761	923	1,458
6	SYNTHETIC STONES	1	1	1	1	1	1	17	25	52	80
7	COSTUME FASHION JEWELRY	9	12	8	6	9	15	6	11	17	18
8	SALES TO FOREIGN TOURISTS	20	26	42	72	56	42	40	63	56	70
9	**TOTAL**	**15301**	**16135**	**16594**	**20355**	**24118**	**28687**	**41872**	**41350**	**37410**	**32,991**
10	EXPORT OF ROUGH DIAMONDS	357	566	565	567	776	744	1137	1772	1579	1,584
11	Rough Stones, Pearls & other Roughs						10	40	89	148	418
12	**NET EXPORTS**	**15658**	**16701**	**17159**	**20921**	**24894**	**29442**	**43048**	**43211**	**39137**	**34,993**

Note: Figures for 2013-2014 are provisional and subject to revision.

(Source: GJEPC, India)

(Source: GJEPC, India)

Imports

The Gems and Jewellery Industry witnessed a rise of 11.98 per cent in imports of rough diamonds with figures of US$ 16,716 million. India imported 163.11 million carats of rough diamonds worth US$ 16.34 billion and exported 36.46 million carats of polished diamonds valued at US$ 20.23 billion in 2013.
(Source: India Brand Equity Foundation – November 2014)

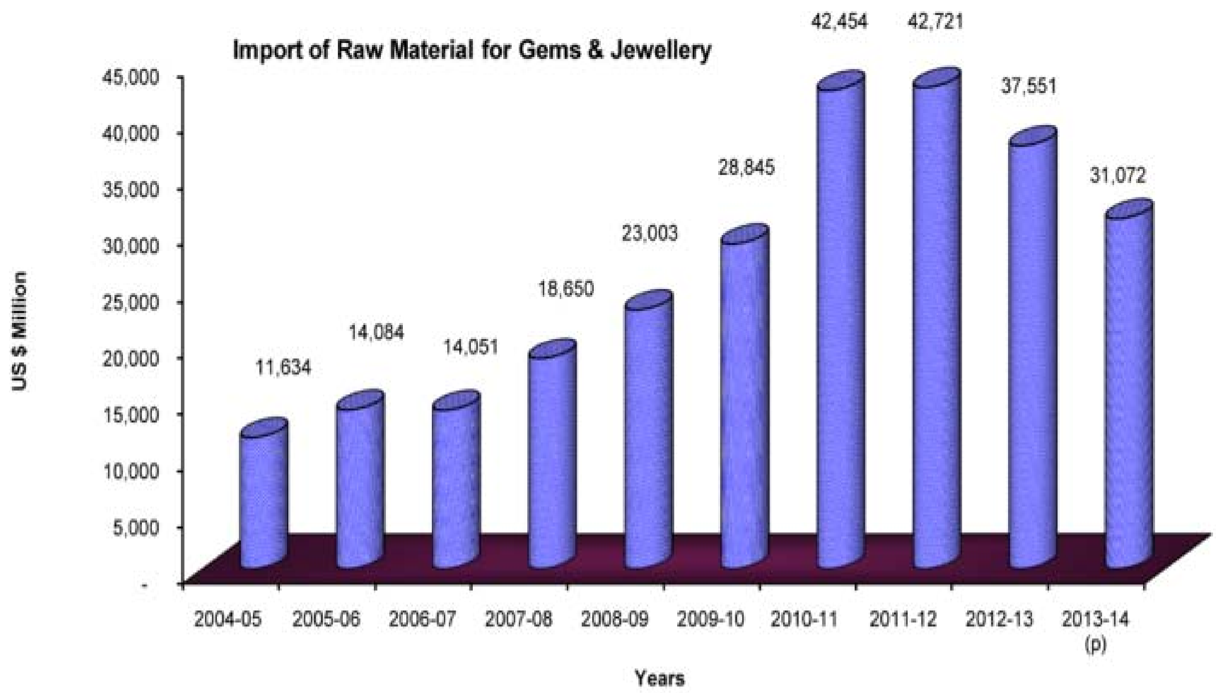
The following charts show year-wise import of raw materials for Gems and Jewellery –

[VALUE US $ IN MILLION]

Sr. No.	ITEMS	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (p)
1	ROUGH DIAMONDS	7,648	8,698	8,767	9,797	7,960	9,048	11,994	15,163	14,927	16,716
2	ROUGH COL. GEMSTONES	83	115	132	147	106	117	150	146	208	238
3	RAW PEARLS	6	6	7	11	6	5	7	8	170	79
4	ROUGH SYNTHETIC STONES	4	13	6	13	3	2	9	12	53	86
5	GOLD BARS	860	1,942	2,650	2,648	4,639	7,474	8,630	10,931	11,305	5,599
6	SILVER BARS	23	21	15	21	26	32	87	100	70	40
7	PLATINUM BARS	9	2	5	6	887	4	31	8	10	11
8	**TOTAL**	**8,632**	**10,797**	**11,581**	**12,643**	**13,627**	**16,683**	**20,907**	**26,369**	**26,742**	**22,768**
9	IMPORT OF C&P DIAMONDS	2,839	2,992	2,027	5,461	8,982	11,610	20,808	14,472	5,559	6,541
10	IMPORT OF OTHER ITEMS	163	294	443	547	394	552	740	1,880	5,249	1,763
	TOTAL IMPORTS	**11,634**	**14,084**	**14,051**	**18,650**	**23,003**	**28,845**	**42,454**	**42,721**	**37,551**	**31,072**

Note: Figures for 2013-2014 are provisional and subject to revision.

(Source: GJEPC, India)



(Source: GJEPC, India)

The hub of India's jewellery industry is Mumbai that receives the majority of the country's gold and rough diamond imports. Mumbai has a considerable number of modern, semi-automatic factories and laser-cutting units, the majority of which are located in the special economic zone(s). Most of the diamond processing, is undertaken in Gujarat, (primarily in Surat, Bhavnagar, Ahmedabad and Bhuj) and in Rajasthan (Jaipur) with Gujarat contributing to 80% of the total diamonds processed in India.
(Source: Report titled "Changing Trends: Indian Gems and Jewellery Industry" by ONICRA Credit Rating Agency of India)

Market size of Diamonds in India

India's rough diamond imports in terms of carats were 122,815,000 carats of diamonds worth US$14,160.22 million in the April 2014 – January 2015 period, marking a decrease in terms of carats and an increase in monetary value from imports of 138,167,000 carats of diamonds worth US$13,855.29 million in the April 2013 - January 2014 period, according to statistics released by India's Gem & Jewellery Export Promotion Council (GJEPC).

India's rough diamond exports, at 27,601,000 carats worth US$1,175.26 million in April 2014 – January 2015, were down compared to the rough exports in the corresponding period of 2013-2014 in both monetary terms and carat terms.

India's cut and polished diamond imports increased to US$6,037.65 million in April 2014 – January 2015 from US$5,274.89 million a year earlier.
(Source: Statistics published by The Israeli Diamond Industry on February 22, 2015)

Demand drivers of the Industry

➢ *Rising Disposable Income*

The rising disposable income has been a major demand driver for the sector over the years, both domestically as well as internationally. Jewellery, particularly diamond jewellery, is considered as a lifestyle product, and the demand for lifestyle products has also gone up with the increase in disposable incomes; as a result, the gems and jewellery sector has recorded tremendous growth in the past few years. Gold demand has been rising in India in the last few years because of increased purchasing parity of the middle class and the increasing income levels.

➢ *Penetration of the Organised Players*

It is estimated that growth in the industry would be highly contributed with the development of large retailers / brands in the coming years. The leading brands are pulling the organised market and are opening opportunities to grow. Increasing penetration of organised players provides variety in terms of products and designs. These players are also offering financing schemes to consumers to further boost sales. However, the phenomenon is more prevalent in the tier-1 and tier-2 cities.

➢ *Low Cost of Labour*

The low cost of labour for cutting and polishing of diamonds has made India an attractive destination for diamond processing.

➢ *Availability of Skilled Craftsmen*

Jewellery manufacturing is an ancient industry in India therefore it has a huge population of skilled artisans / craftsmen. Furthermore, India is famous for processing very small diamonds that requires immense skill, which the Indian artisans seem to have developed over the years. These advantages help India score over its peers.

➢ *Government Initiatives / Policy Support*

- The Indian government is planning to establish a special zone with tax benefits for diamond import and trading in Mumbai, in an effort to develop the city as a rival to Antwerp and Dubai, which are currently the top trading hubs for diamond.

- The Reserve Bank of India (RBI) has liberalized gold import norms. Now, star and premier export houses can import the commodity, while banks and nominated agencies can offer gold for domestic use as loans to bullion traders and jewellers, as per a notification issued by the RBI.

- To further liberalize norms for rough diamond imports, the RBI has lifted restrictions on some mines abroad. Advance remittances can now be given to these mines for such import of roughs.

- India and Russia have signed a Memorandum of Understanding (MoU) to source data on diamond trade between the two countries. India is the top global processor of diamonds, while Russia is the largest rough diamond producer.

(Source: India in Business, Ministry of External Affairs, Govt. of India)

Challenges faced by the Industry

The industry faces several challenges impacting consumption and the investment demand side of the market.

- *High import dependence*

The gems and jewellery industry is highly dependent on import for meeting its raw material requirements and among the imported commodities rough diamonds account for almost 50% of the imports. India is also one of the largest importer and consumer of silver in the world.

- *Lack of financial support*

The gross credit deployment towards the gems & jewellery industry has been increasing in value terms; but still it is less than 3.00% during the last five years and stood at around 2.74% of the total credit deployment towards industry in 2013. Further, as the market is mainly constituted by small players, the industry faces difficulties in availing financing options. Further, the unavailability of Gold (Metal) Loans has increased the cost of financing for domestic jewelers. Traditional financing is costly due to high input costs.

- *Fluctuations in Exchange Rate*

Gems and Jewellery industry is influenced by the rupee/dollar exchange rate because it is export & import oriented industry. Any variation in the exchange rates affects the margins of the players.

- *Overregulated consumption industry and under-developed investment industry*

In terms of regulatory policy, there is a lack of differentiation between investment demand and consumption demand. As a result, while imports have surged primarily to feed investment demand, regulations have also constrained consumption demand. There is no clear policy on the investment demand of gold.

- *Large investment demand and associated supply infrastructure*

There is substantial investment demand in both jewellery and bars and coins form. This is due to the great attractiveness of gold as an investment option, the limitations of alternate investment options, and the inadequacies of financial products backed by gold. However, bars and coins in particular have limited value addition and thus make a limited contribution to industry growth. Further, the investment demand adds to the import burden, leading to regulatory actions that impact the industry. There are a number of jewelers that cater primarily to investment demand, especially in rural and semi-urban areas.

- *Limited research and technology adoption*

Innovation is critical for success in the export market and for growing the domestic segment. This requires the use of modern design and the latest technology. While the industry is adept at traditional designs, there is a lack of design-led innovations. Adding to this are sub-scale facilities that limit the use of modern technology.
(Source: FICCI Report titled "All that glitters is Gold: India Jewellery Review 2013")

Road Ahead

Exports from the gems and jewellery industry could reach US$ 58 billion by 2015, according to a joint report by Technopak and an industry body. It is further anticipated that the value of the domestic market for gems and jewellery will be around US$ 35-40 billion by 2015. Indian consumers, however, are not wholly dependent on diamonds and gold for jewellery. For instance, the costume jewellery industry in India grew at 20-30 per cent in the first half of FY14, with women showing a gradual preference for costume jewellery over gold. This market is expected to touch ₹ 15,000 crore (US$ 2.42 billion) by December 2015 - a marked increase from the ₹ 8,000 crore (US$ 1.29 billion) in December 2012.

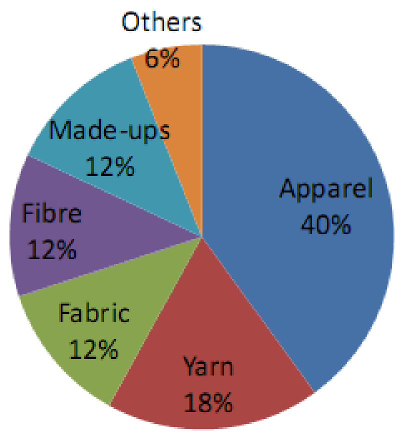
India is also considered one of the top exporters in the sector. Key exporting destinations in FY14 were UAE at 35 per cent of exports valued at US$ 12,195.34 million; Hong Kong at 28 per cent of exports valued at US$ 9,790.45 million; and the US at 14 per cent of exports valued at US$ 4,948.92 million.
(Source: India in Business, Ministry of External Affairs, Govt. of India)

OVERVIEW OF THE INDIAN TEXTILE AND APPAREL INDUSTRY

Indian textiles and apparel have a history of fine craftsmanship and global appeal. Cotton, silk and denim from India are highly popular abroad and with the upsurge in Indian design talent, Indian apparel too has found success in the fashion centres of the world.

The Indian textile and apparel industry is one of the largest in the world with an enormous raw material and manufacturing base. The present domestic textile industry is estimated at US$ 33.23 billion and unstitched garments comprise US$ 8.307 billion. The industry is a significant contributor to the economy, both in terms of its domestic share and exports. It accounts for a phenomenal 14 per cent of total industrial production, contributes to nearly 30 per cent of the total exports and employs around 45 million people.
(Source: IBEF – July 2014)

The following chart shows the break-up of India's textile and apparel exports in 2013-14 (%) –



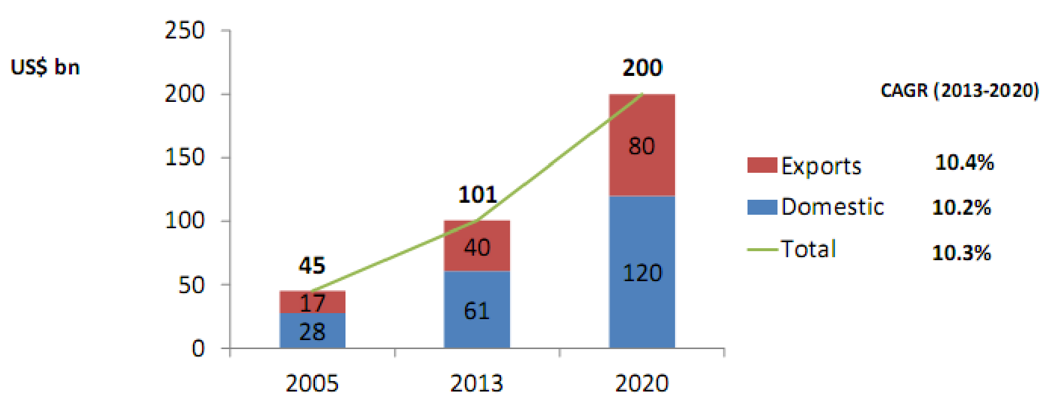
Source: Office of Textile Commissioner

(Source: Report on "Golden Decade for India's Textile and Apparel Industry", December 2014)

Road Ahead

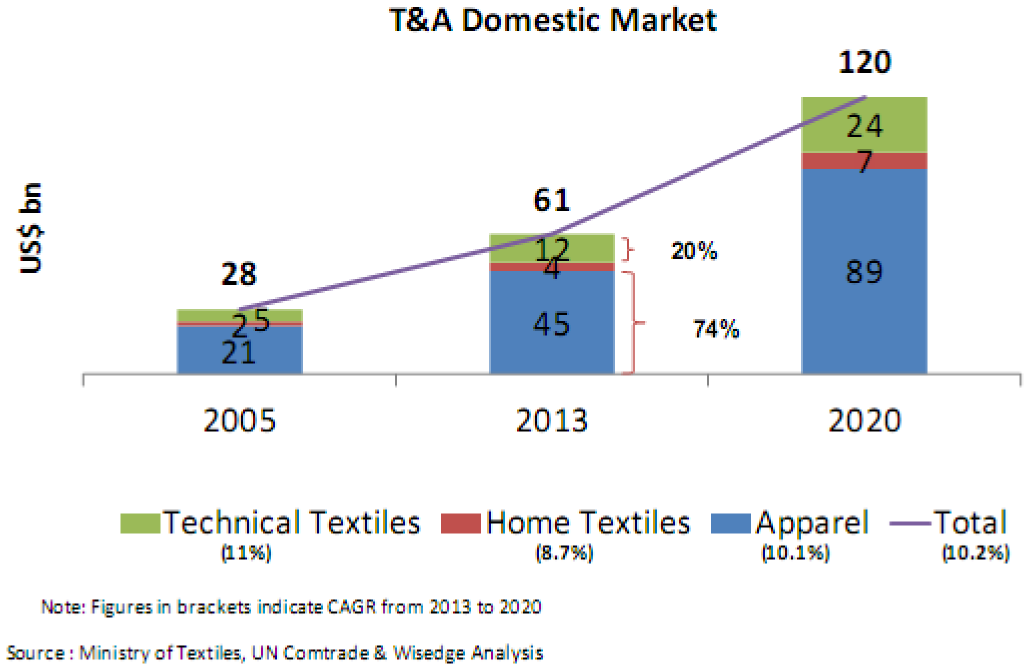
The Indian textiles and apparels industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The industry is expected to reach US$ 200 billion by fiscal 2020, at a CAGR of 10.25% in the next 7 years. For the textiles industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers. It will also bring in greater investments along the entire value chain – from agricultural production to final manufactured goods.

Indian Textile and Apparel Industry Size & Projections



Source : Ministry of Textiles, secondary sources & Wisedge Analysis

The domestic market is expected to reach US$ 120 billion by fiscal 2020, with Apparels constituting a majority share of the market, as illustrated below –



(Source: Report on "Golden Decade for India's Textile and Apparel Industry", December 2014)

BUSINESS OVERVIEW

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and the chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on pages 9, 117 and 155 respectively, of this Draft Prospectus.

Unless the context otherwise requires, in relation to business operations, in this chapter of this Draft Prospectus, all references to "we", "us", "our" and "our Company" are to Perry Impex Limited, unless stated otherwise.

OVERVIEW

In the year 1970, Mr. Popatlal Mangukiya had commenced operations in the diamond market on a small scale in Surat. After witnessing rapid growth and considering the immense scope in this business, Mr. Ramesh Mangukiya and Mr. Rasik Mangukiya (sons of Mr. Popatlal Mangukiya) joined the family business. They continued the business of trading, processing, cutting, and finishing of precious stones, gems and jewellery and in the year 1997, they registered their business as a Partnership Firm, namely, M/s Perry Impex. Our Company was originally incorporated with the Registrar of Companies, Mumbai on July 22, 2010 as Perry Impex Private Limited and subsequently, pursuant to a Take Over Agreement dated October 01, 2010, among Mr. Rasik Mangukiya, Mr. Ramesh Mangukiya (collectively, the Owners of M/s Perry Impex) and our Company, our Company purchased as a going concern the entire business of M/s Perry Impex. Hence, our group has its presence in the Diamond Industry for more than four decades. For further details regarding history of our Company, please see the chapter titled "*History and Certain Corporate Matters*" beginning on page 92 of this Draft Prospectus.

We are an integrated player in the Diamond Industry with expertise ranging from manufacturing / processing to exporting of polished diamonds and diamond jewellery. Our current focus area is in coloured round diamonds and hence our offering includes OW, TTLB, Dark Brown and Black Polished Diamonds. We import rough diamonds which undergo the processes of sampling, grading, cutting and polishing and then sell these as polished diamonds in domestic and export markets. We have also begun in-house manufacturing and retailing of diamond jewellery under our newly launched *"Perrian"* brand. Our products range across different price points and cater to customers across high-end, mid-market and value market segments.

Our Company's export income comes from sale of cut and polished diamonds of various sizes, shapes and clarities, which are manufactured by us and the same has grown at a CAGR of 31.39% from Fiscal 2011 to Fiscal 2014. For details, please see "*Export Operations*" further below in this chapter.

Our diamond manufacturing activities are divided between three units in Gujarat located at Surat, Palitana and Gariyadhar. Further, for jewellery manufacturing we have hired a unit within the Surat SEZ promoted by DGDC in order to take the tax and duty benefits on imports.

We own and operate three offices at Mumbai, namely at – Opera House (Registered Office), BKC (Corporate Office) and Bharat Diamond Bourse (Dealing Office). Further, we own and operate an office at Surat which oversees our Gujarat operations.

Apart from the Gems and Jewellery business, Perry Impex has also recently built its presence in the Textile Industry through its subsidiary - Perrian Lifestyle Private Limited wherein we own and operate a retail store for apparels and textiles at Santacruz, Mumbai.

As per our Standalone Financials, our Revenues from Operations have grown from ₹ 28,648.69 lakhs in Fiscal 2012 to ₹ 42,868.05 lakhs in Fiscal 2014, representing a CAGR of 14.38%. Our EBITDA has increased from ₹ 634.13 lakhs in Fiscal 2012 to ₹ 2151.41 lakhs in Fiscal 2014, representing a CAGR of 50.26%. Our PAT has increased from ₹ 336.00 lakhs in Fiscal 2012 to ₹ 961.35 lakhs in Fiscal 2014, representing a CAGR of 41.96%.

As on January 31, 2015 our Company has staff strength of 44 permanent employees for its existing operations. Further, we are using services of approximately 409 persons working on a per piece basis / daily wages at our manufacturing units. For further details, please see "*Business Overview - Human Resources*" on page 85 of this Draft Prospectus.

OUR STRENGTHS

Today's dynamic markets and technologies have called into question the sustainability of a competitive advantage. We believe that following principal strengths of our company would ensure our survival and help us attain a prominent position in the market:

- ***Experience of our Promoters and senior management team***

Our Promoter family have been involved in the diamond business in India for more 40 years and have extensive experience in the Industry. Their strong relationships with suppliers, export customers and other industry participants have been instrumental in implementing our growth strategies. Our Promoters are actively involved in our operations and bring to our Company their vision and leadership which we believe has been influential in sustaining our business operations. Our management team also includes professionals with sound market knowledge and extensive experience which we believe enables us to respond to changing market conditions and evolving preferences of our customers and is essential to our overall success and our future growth. For further details regarding the education qualifications and experience of our Promoter Directors and Key Management Team please refer to "*Our Management*" beginning on page 98 of this Draft Prospectus.

- ***Significant manufacturing capabilities***

We operate three different diamond manufacturing units at Surat, Palitana and Gariyadhar. Further our jewellery is designed and processed at our own manufacturing facilities. We believe that this enables us to control costs and increase our profit margins and gives us a competitive advantage over some of our competitors who do have in-house manufacturing facilities. The process of converting a rough diamond into Cut / Polished Diamonds which are ready to be made into Jewellery is a highly skilled job and we believe that having in-house manufacturing capabilities, be it planning, sorting, grading, cutting as well as polishing for almost more than 20 years would help us in our ability to expand our top line as and when the business of exports picks up further. We believe that our large skilled workforce with knowledge and expertise in jewellery-making is also a key competitive strength that has enabled us to establish and maintain our reputation and brand.

- ***Long Standing Focus in the Coloured Round Diamond Export Market***

The diamond cutting and polishing sector is broken up into Coloured Diamonds and White Diamonds. Also, the type of finished product which sells in the market is further classified into Round Diamonds (Generic) and Fancy shaped diamonds. We have a focus and expertise in all types of coloured round diamonds, including OW, TTLB, Dark Brown (DB) and Black in various types of cuts, clarity and sizes, such that our end product range is about more than 2500 different coloured diamonds. This we believe is our niche as compared to other eminent players who are more involved in White diamonds. This niche focus has helped us create a brand value in the Exports markets as well as domestically and hence would help us continue our operating performances going forward.

- ***High Credibility with our Bankers and existing lines of Credit***

The Gems and Jewellery Industry is a highly competitive and fragmented one. We have maintained an efficient liquidity and net worth position. We are enjoying a credit facility amounting to ₹ 10765 lakhs from various bankers as on date. For further details regarding our credit facility, please see the chapter titled "*Financial Indebtedness*" beginning on page 165 of this Draft Prospectus. All our export financing is at a cost of around 11% p.a. Our ability to avail low cost export financing would help us complete with smaller unorganised players and also benefit in ensuring customer retention.

OUR STRATEGIES / FUTURE PLANS

Our strategic objective is to be one of India's premier diamond exporting and jewellery manufacturing companies, driven by our vision and commitment to our core values. Our vision is to create an entrepreneurial environment that stimulates extraordinary performance. We intend to achieve this by implementing the following strategies:

- ***Increase presence in high value addition products including customised jewellery***

Currently, we have a strong hold in the export market for cut and polished diamonds, wherein we import rough diamonds and through a meticulous process of planning, sorting, cutting, polishing and grading make them into polished diamonds of various size and shapes and thereafter sell them to our export customers. This, even though is a good steady business, is not a very high margin / high value addition business. Hence, we have begun our in-house jewellery manufacturing at Surat units. Our wide range of product offerings caters to diverse customer segments, from the value market to high-end customized jewellery. Our product profile includes traditional, contemporary and combination designs across jewellery lines, usages and price points. Further, we also offer custom jewellery through our online jewellery business – Perrian World. With the advent of e-commerce, retail is changing more nearly than any other industry. Currently, the online jewellery industry is in its nascent stage, however, we believe it is poised to register fast growth with increasing number of online buyers in India. We believe that if we focus on design and innovation, recognize consumer preferences and market trends, we would be able to increase our presence in this field and hence improve our operating margins as well as reduce dependence on export demand.

- ***Increase our business development appetite by augmenting our available working capital resources***

We operate in a working capital intensive industry. The working capital financing ability is a key competitive trait in the polished and cut diamond export business because of the commodity nature of the product. We need working capital for raw material as well as finished goods stock and also for supporting our clients with reasonable lines of credit. Hence, we believe that in order to continue our strong revenue growth we will need to ensure that we are well funded from a working capital perspective. Hence, we propose to augment our working capital base through this IPO. For further details, please refer to "*Objects of the Issue*" on page 52 of this Draft Prospectus.

- ***Widen our network of clientele***

Our group has been in the Gems and Jewellery Industry for over four decades and our promoters maintain an ongoing relationship with our international as well as domestic customers. In addition to increasing our sales to existing customers, we propose to widen our client base by exploring opportunities in other export markets as well as domestically. Hence, we have recently set up a wholly owned subsidiary at USA in order to strengthen our presence in that region. Currently, around 31% of our average total sales for the last three years has been derived from our top 5 customers. We believe that if we are able to widen our client base and export markets we will reduce the dependence on a particular customer or export market and hence insulate ourselves from client specific loss of business in the future.

- ***Improve our internal processes and systems***

M/s. Perry Impex was originally started as a partnership concern and subsequently the same was taken over into a corporate entity. We have been operating as a family run private limited company for all these years and hence many of our internal systems and processes are highly promoter driven. We propose to improve our internal processes and systems in order to make the company less dependent on our promoter family and hence increase our ability to grow at a faster rate with investor and banking support.

- ***Continue to diversify into other business verticals***

We have recently formed a wholly owned subsidiary in the name "Perrian Lifestyle Pvt. Ltd." wherein we own 100% stake. This company is engaged in the business of marketing and distribution of apparels. A retail store has been set up at Santacruz, Mumbai which deals in various types of Apparels, details of which are mentioned below in this chapter. We believe that our time we may be able to keep partnering with other entrepreneurs and take equity stakes in such companies which would all get consolidated into our financials and provide diversification advantages to the company and its shareholders.

DETAILS OF OUR BUSINESS OPERATIONS

Location

Registered Office

Our Registered Office is situated at 1001-1019-1020, 10th floor, Prasad Chambers, Opera House, Mumbai 400 004.

Corporate Office

Our Corporate Office is situated at 404, 4th Floor, B-Wing, The Capital, BKC, Bandra (E), Mumbai - 400 051

Branches / Marketing Offices

- Marketing Office is situated at JW5010, J Tower, West Wing, 5th floor, Bharat Diamond Bourse Complex, BKC, Bandra (E), Mumbai 400 051.

- Gujarat Operations Office is situated at 50, Sahyog Chambers, Minibazar, Varachha Road, Surat

Manufacturing / Processing Facilities

Currently, we operate four Units located in different regions in Gujarat.

Unit I is located at Gala no.76, Diamond Nagar, Station Road, Palitana , Gujarat.

Unit II is located at PD Diamond, Navgam Road, Gariyadhar, Dist. Bhavnagar , Gujarat.

Unit III is located at 403/2, 2nd floor, Vastadevdi Road, Katargaon, Surat.

Unit IV is located at Plot No.9, I Floor, Surat SEZ, Sachin, Surat.

For details on the aforementioned Units and other Properties owned / leased by us, please see "*Our Business - Property*" on page 85 of this Draft Prospectus.

Product Portfolio

1) **Manufactured Diamonds:** Our primary product is cut and polished diamonds. We specialize in offering diamonds in the following forms –

Color	OW, TTLB, Dark Brown (DB) and Black
Clarity	IF, VVS1, VVS2, VS1, VS2, SI1, SI2, SI3, I1, I2, FL
Cut	Round Brilliant Cut and Single Cut
Size	-2, Star (+2-6.5), Melee (+6.5-11) and Eleven (+11) up to 0.50 pts

2) **Jewellery:** We are also in the business of jewellery making and marketing. We sell a wide range of jewellery products including diamond gemstone and pearl jewellery catering to diverse customer segments, from the value market to high-end customized jewellery. Our product profile for jewellery is explained below:

Product Types:

- ✓ Rings
- ✓ Earrings
- ✓ Pendants
- ✓ Bangles and Bracelets
- ✓ Mangalsutra
- ✓ Gifts
- ✓ Cocktail
- ✓ Collections
- ✓ Baby Collection
- ✓ Necklace
- ✓ Rakhi collection

All of the above mentioned products can be offered in different base metal such as Yellow Gold, Rose Gold & White Gold.

3) **Apparels:** Through our subsidiary company, we have set up a Retail Clothing Store at Santacruz, Mumbai with a vision to cater the changing lifestyle needs of Indian customers and enable the consumer to select different, colorful, stunning and stylish designs those are in trend today. With the knowledge of Indian consumer behavior and current market trends, they bring a total coordinated solution for Women that are fashionable and comfortable.

The product profile of this business vertical is explained below:

- Salwar kameez
- Sarees to lehengas
- Anarkalis
- Indo-western gowns

All of these products are further customized to include:

- Zardosi work
- Kundan work
- Ari, gota, pita, pearls work
- Stones, Chikankari work
- Other customized Fabric work in such as Delicate laces, Rich chiffons, Smooth silk, Satins etc.

We offer the trendiest designs with all in–house services such as customized stitching to tailor made designs. We also export these products to UK, Germany, South Africa and Mauritius. We have also recently launched an exquisite collection of Office Wear, Party Wear, Western Wear and Indian Ethnic Wear.

Category-wise Revenue break-up of our Business in Fiscal 2014

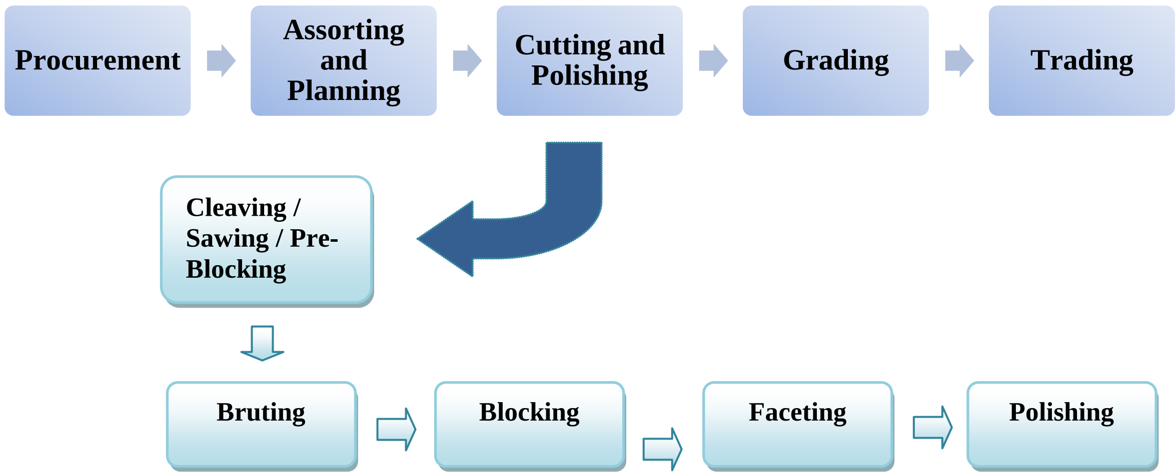
The following table sets forth information on our domestic and export sales classified into two broad categories of our business operations, in the periods indicated:

Particulars	**Fiscal 2014**		**Fiscal 2013**		**Fiscal 2012**	
	Amount (₹ in lakhs)	**% of Revenue from Operations**	**Amount (₹ in lakhs)**	**% of Revenue from Operations**	**Amount (₹ in lakhs)**	**% of Revenue from Operations**
Domestic Sales						
Diamond Processing	3,044.50	7.11%	72.75	0.23%	-	-
Diamond Jewellery	44.73	0.10%	-		-	-
Total Domestic Sales	**3,089.23**	**7.21%**	**72.75**	**0.23%**	**-**	**-**
Export Sales						
Diamond Processing	37,000.92	86.31%	30,689.77	97.94%	28,611.28	99.87%
Diamond Jewellery	752.97	1.76%	130.35	0.42%	26.42	0.22%
Total Export Sales	**37,753.89**	**88.07%**	**30,820.12**	**98.35%**	**28,637.70**	**99.96%**

Manufacturing Operations

A. Manufacturing of Cut and Polished Diamonds

The following flowchart summarizes the basic steps involved in our manufacturing process of Cut and Polished Diamonds –



1. Procurement

The key raw material procured by us is rough diamonds. Generally, personnel from our Procurement team (led by Mr. Khodiyal Gabani) track and analyse the latest market trends and demand. Based on the research, our personnel personally visit the markets (overseas and domestic) for purchasing rough diamonds, after carefully examining them in terms of cut, colour, clarity and carats. Rough diamonds are mainly imported through Mumbai and then couriered to our manufacturing units.

We primarily import rough diamonds from local traders in Belgium, Johannesburg, Antwerp and Dubai. As part of our strategy to source raw materials from low cost locations, we plan to increase our sourcing from USA. Our Subsidiary shall be one of our sources for procuring loose / rough diamonds.

2. Assorting and Planning

Assorting refers to the categorization of rough diamonds into different types, while planning refers to determining how a diamond needs to be cut so as to get the maximum yield / maximum value from the rough diamond. Planning is one of the most critical aspects in the manufacturing. Rough diamonds need to be sorted on the basis of whether they are makeable or not, on the basis of colour, size etc. Non-make-able diamonds then need to be planned so as to reduce wastage and maximise yield.

3. Cutting and Polishing

- *Cleaving / Sawing* - Once planned, the diamond is either manually cleaved or sawed, i.e. it is cut into one or more pieces based on the plan. Sawing is either done with a diamond-coated rotary saw or a laser. Generally, small sized diamonds are signed manually. The rough diamonds which cannot be cleaved are sawed.

- *Bruting and Blocking* - Bruting is the process of giving shape to the rough diamond. The bruter has to take utmost care of the diamond so that it does not break. In the whole process of bruiting, the main aim of the bruter is to give shape to the rough diamond in such a way that its optimum effect can be achieved by the polisher, without any extra weight loss.

- *Faceting* - Faceting is the first step of polishing. In a diamond, faceting and polishing occur simultaneously. The cutting and polishing of each facet is accomplished by attaching the stone to a dop stick and pressing it against a revolving plate (saran). During this faceting stage, the angles of each facet must be cut in order to maintain symmetry and produce maximum brilliance.

- *Polishing* - A diamond then passes to the polishing phase where the diamond gets its final look. This is the last step in the manufacturing process of the diamond from where it goes to the grading department. In this process, the cut and polished diamond is boiled in a solution of hydrochloride and sulphuric acid to remove oil, diamond, powder and dirt. After completion of polishing, the smaller packets are put together in the original packet and sent for final inspection. During the entire process, strict quality control measures are taken and the diamond passes through a computerized network which keeps track of every single diamond.

4. Grading

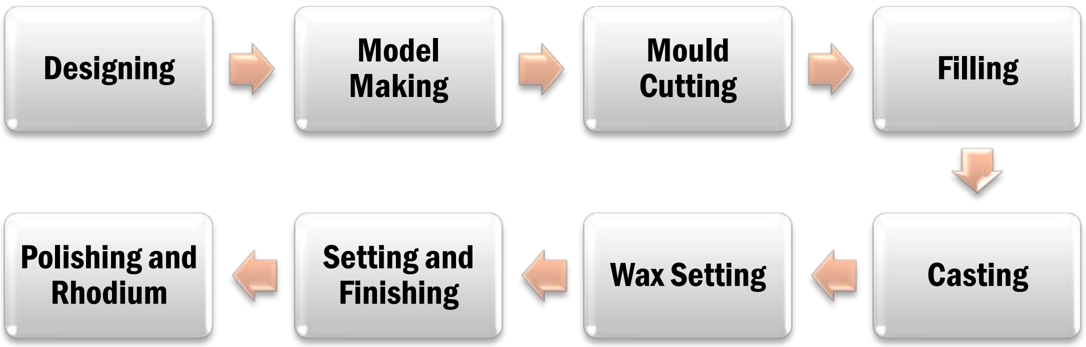
The polished diamonds are then graded on the basis of colour, clarity, cut and carat. A critical component in determining the price is thus appropriate grading of the diamond. The graded parameters are noted down for each diamond.

5. Trading

Trading refers to the process by which cut and polished diamonds are sold. Once we separate the diamonds based on different sizes, colours and clarities, we then send the finished diamonds to our offices in Mumbai from where they are in turn exported. We intend to implement the 'Rapaport Diamond Pricing System" which again takes into consideration the aforementioned parameters. The Rapaport diamond price list separates the different sizes, colours and clarities of diamonds and arranges these factors into price categories.

B. Manufacturing of Diamond Jewellery

The following flowchart summarizes the basic steps involved in our manufacturing process of Diamond Jewellery –



1. Designing

The designs are developed on the basis of feedback from the market and the current trend in the jewellery market. The designs are finalized by the merchandiser, or on the basis of internal discussion and are then forwarded for Model Making.

2. Model Making

Sample models of the selected designs are then made in silver. The models are made by using CAD and CAM machines and / or by skilled model makers. This model is then sent for mould-cutting.

3. Mould Cutting

In this process, rubber or metal mould is made for mass production. The mould is first approved for commercial production and a test trial of the design is carried out by making a finished gold piece.

4. Wax Setting

Wax is injected into the rubber mould / metal mould to produce wax jewellery piece. These wax jewellery pieces are given finishing touches and precious stones are then studded on these wax pieces. All the wax jewellery pieces are then moulded together to form a tree so as to facilitate mass production. The wax tree so produced is then sent for Casting.

5. Casting

The wax tree is covered with investment powder and then put in burn out furnace in which gold is poured to obtain the contours in gold form. Subsequently, the gold tree is removed from the iron flasks and then forwarded for filing.

6. Filing

In this stage, the excess metal in the grooves and channels in the jewellery pieces are removed. Thereafter, the jewellery pieces are filled for removing the rough surface of the pieces using different tools & hard buffs.

7. Setting and finishing

Filed pieces are then sent for hand setting, where broken or missing diamonds are replaced or in the case of semi wax-set pieces, they are handset with different types of settings as required. The pieces are then polished and sent for packaging and dispatch.

8. Polishing and Rhodium

The pieces from the setting department are then sent for polishing where they are finished and sent for quality assurance and finally rhodium platted.

Plant and Machinery

Following is the list of main equipments used in the abovementioned processes, including but not limited to –

- ✓ Laser Sawing Machine
- ✓ Planner
- ✓ Two in One Ghat
- ✓ Weight Viti
- ✓ Weight Machine
- ✓ Ghanti
- ✓ Station Planner

Export Operations

Our cut and polished diamond exports have a high global share in terms of number of pieces; however, in terms of value the share is much lower. Although we do not have any long-term contracts with our clients, we believe we have built strong relationships with them.

The key export markets identified by us are USA, Hong Kong, Thailand, Taiwan, China, Europe and Middle East. Our Promoter, Mr. Rasik Mangukiya, who has a vast network and exposure in the overseas market, is responsible for Business Development in these regions.

Export Sales & Obligations

The following table sets forth the export figures for the last three years:

YEAR	EXPORT SALES *(₹ in lakhs)*
Fiscal 2014	37,753.00
Fiscal 2013	30,820.00
Fiscal 2012	28,637.00

We do not have any export obligation as on date of this Draft Prospectus.

Inventory Management and Quality Control

We believe we have comprehensive internal controls in place to handle all business operations including inventory management and processing customer orders. We have implemented a company-wide Enterprise Resource Planning (ERP) system, developed in-house to control, monitor and integrate our production facility. This would enable our senior management to monitor and control the entire manufacturing unit from around the world, covering everything from planning to manufacturing to payroll on a real time basis.

The ERP system helps in:

- ✓ the Integration among different functional areas to ensure proper communication, productivity, quality and efficiency in decision making
- ✓ the tracking of revenue, cost and profit at a granular level

We are a certified member of the Responsible Jewellery Council (RJC) since May 2014. Our business practices conform to RJC's Code of Practices for business ethics, human rights, social and environmental performance.

Logistics

Raw materials to our manufacturing facilities and finished products to-and-from our marketing offices are transported by road, trains and air cargo through third-party carriers. Armed security guards are used for transporting smaller quantities of goods to our marketing offices in our own vehicles over short distances while secured couriers are used for long distances. Certain inventory is also transported by senior employees in person and they travel by air. When receiving jewellery and loose diamonds, we check the jewellery against the appropriate transfer documentation before acknowledging receipt of the jewellery.

Marketing Set-up and Strategy

Our Marketing and Sales Team is led by Mr. Kishore Goyani, who directly reports to our COO and CFO, Mr. Satish Mangukiya, and our Promoter, Mr. Rasik Mangukiya, who is responsible for overall marketing strategies and guiding the team personally to achieve maximum order generation. Mr. Rasik Mangukiya plays an active role in the marketing and sales operations of our Company. He personally visits his international clients, primarily in Hong Kong, USA and the Middle East in order to assess the international demand and build strong relationships with our clients.

Further, in order to increase footfalls, we intend to continue our marketing activities such as participating in exhibitions (domestic as well as international), providing promotional offers, selling complementary products such as pendants with earrings, brilliant cut solitaire diamonds, etc. One of our key focus areas is on the conversion of each footfall into a customer. We train our employees in sales techniques and increase their product knowledge in order to increase our conversion rate.

Clients

Some of our key clients in Fiscal 2014 include Perry Gems (HK) Ltd., Grace USA Inc., N R Gem Exports, Nasaa Gem and Jewellery Company, R. D. Gem Ltd., amongst others. No single customer accounted for more than 18% of our net sales in Fiscal 2014 and our ten largest customers represented less than 60% of our net sales in Fiscal 2014.

Competition

We face competition in both our diamond processing and jewellery business segments. In the diamond processing segment, there are a number of well established players in the market like Goenka Diamonds, Kiran Jewels, Suashish Diamond, Suraj Diamond, Shrenuj & Co., Shree Ramkrishna Exports, among others. We face competition from both the organized and unorganized sector in jewellery e-retail as well as from already established branded e-retailers. We also face competition in some regions from regional players like Gitanjali Gems, C. Mahendra Exports, Tribhovandas Bhimji Zaveri, among others.

Human Resources

The following table sets forth the number of persons permanently employed in various roles in our Company as on January 31, 2015:

Category	No. of Employees
Directors	3
Key Managerial Personnel	8
Managers / Executives	33
Total	**44**

In addition to the above, we utilise the services of labourers (Semi-skilled and Unskilled on a daily wage or per piece basis) on a need basis. We have employed 409 labourers on per piece basis or a daily wage basis as on January 31, 2015

Intellectual Property

For details regarding our intellectual properties, please see the chapter titled *"Government and other Key Approvals"* on page 174 of this Draft Prospectus.

Collaborations

We have not entered into any technical or other collaboration till date.

Properties

We own and rent certain properties. The brief details of the properties owned and rented by us are set out below:

Owned Properties:

S. No.	Property Description	Area (Sq. ft.)	Name of Seller	Agreement Details
1	1001-1019-1020, 10th floor Prasad Chambers, Opera House, Mumbai 400 004	1,280	Sheetal Manufacturing Co. Pvt. Ltd.	Dated: 29/08/2012; Consideration price: ₹ 7,04,00,000
2	404, 4th Floor, The Capital, BKC, Bandra (E), Mumbai - 400 051	2,205	Wadhwagroup Holdings Pvt. Ltd.	Dated: 27/11/2013 Consideration price: ₹ 7,50,00,000
3	Premises JW5010, J Tower, West Wing, 5th floor, Bharat Diamond Bourse Complex, BKC, Bandra (E), Mumbai 400 051.	221	Bharat Diamond Bourse	Dated: 22/09/2011; Consideration price: ₹ 1,39,23,000
4	Paiky 309/78 CO. MI., Paiky 90 CO. MI. Bandhkam Vali Milkat No. VE. DA, Navgam Road, Gariyadhar, Bhavnagar District, Gujarat	3,335	Dhanji Mangukiya	Dated: 11/07/2013; Consideration price: ₹ 4,90,000
5	50, Sahyog Chambers, Minibazar, Varachha Road, Surat	1,300	Hirji Bhinradiya	Dated: 17/12/1999; Consideration price: ₹ 2,51,000

Rented Properties:

S. No.	Location	Area (Sq. ft.)	Name of Owner	Rent	Term of Rent
1	Survey no. 403/2, Vastadevdi Road, Katargaon, Surat	3,000	Mukesh Ganeshwala	₹ 15,000 per month	01/05/2014 to 30/03/2015
2	Plot no.76, Diamond Nagar, Near Jakatnaka, Bhavnagar Road, Palitana	8,250	Kalubhai Surani	₹ 12,000 per month	01/10/2014 to 30/09/2019
3	Plot No. 9, Surat Special Economic Zone, Sachin, Surat	2,500	M/s Star Diam	₹ 40,000 per month	01/10/2011 to 30/09/2015

Insurance

Our Company has obtained certain insurance coverage to sufficiently cover all normal risks associated with its operations. Following are the details regarding the insurance coverage obtained by our company:

Name of the Insurance Company	Type of Policy	Validity Period	Description of Assets covered under the Policy	Policy No.	Total Sum Insured	Premium
Universal Sompo General Insurance Company Ltd.	Jeweller's Block Insurance Policy	March 20, 2015 to March 19, 2016	▪ Stock in trade, cash and currency in business premises ▪ Stock in trade whilst in insured custody outside business premises ▪ Stock in trade whilst in transit by post / air freight / angadia ▪ Furniture and fixtures / equipment pertaining to trade and business premises	2971/52157796/03/000	₹ 6,400 lakhs	₹ 8.50 lakhs

KEY INDUSTRIAL REGULATIONS AND POLICIES IN INDIA

The following is an overview of the important laws, regulations and policies which are relevant to our business in India. The description of law, regulations and policies set out below are not exhaustive, and are only intended to provide general information to Bidders and is neither designed nor intended to be a substitute for professional legal advice.

Except as otherwise specified in this Prospectus, taxation statutes such as the Income Tax Act, 1961 and Central Sales Tax Act, 1956, various labour laws and other miscellaneous laws apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which may be subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

TRADE RELATED LEGISLATIONS:

Foreign Investment

While under India's current Foreign Direct Investment ("**FDI**") Policy, effective from April 10, 2012, FDI up to 100% through the automatic route is permitted in the gems and jewellery sector, FDI in retail trading is restricted. Subject to certain conditions, FDI up to 100% through the government route, in the retail trading of 'single brand' products is allowed. Subject to certain conditions, FDI up to 51% through the government route, in the retail trading of 'multi-brand' products is permitted.

Investment by Foreign Institutional Investors

Foreign institutional investors ("**FIIs**") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and institutional portfolio managers can invest in securities traded on the primary and secondary markets in India subject to various requirements of the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India(RBI). FIIs are required to obtain an initial registration from the SEBI to engage in transactions regulated under Foreign Exchange Management Act, 1999 (the "**FEMA**"). FIIs must also comply with the provisions of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995. The initial registration and the RBI's general permission together enable a registered FII to freely buy, subject to the ownership restrictions specified herein below, and sell securities issued by Indian companies, to realize capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme specified in Schedule 2 of the Foreign Exchange Management Act (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (the "**FEMA 20**"), the overall issue of equity shares to FIIs/sub-accounts on a repatriation basis should not exceed 24% of post-issue paid-up equity capital of the company. However, this limit of 24% can be raised up to the permitted sectoral cap or statutory limit for that company after approval of the board of directors and the shareholders of the company by way of a special resolution. Further a prior intimation of such increase in limit, along with a certificate from the company secretary, stating that all relevant provisions of the FEMA and the FDI Policy have been complied with, has to be submitted to the RBI. The total holding of equity shares by a single FII or a SEBI approved subaccount cannot exceed 10% of the post issue paid-up equity capital of the company. In respect of an FII investing in equity shares of a company on behalf of its sub-accounts, the investment on behalf of each subaccount must not exceed 10% of the total issued equity capital of that company or 5% of the total issued capital in case such sub-account is a foreign corporate or an individual. Currently, the limit of FII holding in our Company is 24%.

Investment by NRIs

As per Section 5(3) of the FEMA 20, an NRI may purchase shares or convertible debentures of an Indian company either (a) on a stock exchange under the portfolio investment scheme, subject to the terms and conditions set out in Schedule 3 of FEMA 20; or (b) on a non – repatriation basis other than under portfolio investment scheme, subject to terms and conditions set out in Schedule 4 of FEMA 20.

Paragraph 2 of Schedule 4 of FEMA 20 provides that an NRI may, subject to certain conditions, without limit, purchase on non-repatriation basis, shares or convertible debentures of an Indian company, issued whether by public issue or private placement or rights issue. The amount of consideration for the acquisition of shares by an NRI on non – repatriation basis must be paid by way of an inward remittance through normal banking channels from abroad or out of funds held in NRE / FCNR / NRO account maintained with an authorized dealer or as the case may be with an authorized dealer in India. Please note that if the NRI is resident in Nepal or Bhutan, the payment can be made only by way of inward remittance in foreign exchange through normal banking channels.

Under Schedule 4, the amount invested in the shares or convertible debentures and the capital appreciation thereon are not allowed to be repatriated abroad.

Under Schedule 3 of FEMA 20, an NRI is permitted to purchase shares or convertible debentures of an Indian company through a registered broker on a recognized stock exchange, subject to certain conditions, including that the aggregate paid-up value of the equity shares of the Indian company purchased by an NRI, both on a repatriation and on a non-repatriation basis, should not exceed 5% of the paid-up value of the equity shares issued by such company. Further, the aggregate paid-up value of the equity shares of any company collectively purchased by all NRIs investing in such company should not exceed 10% of the paid-up capital of such company, provided that this aggregate ceiling may be raised to 24% if a special resolution to that effect is passed by the shareholders of the Indian company. Further, a prior intimation of such increase in limit, along with a certificate from the company secretary, stating that all relevant provisions of FEMA and the FDI Policy have been complied with, has to be submitted to the RBI. The consideration for the purchase of equity shares must be paid either through an inward remittance through normal banking channels or through funds held in the bank accounts in India as specified in FEMA 20. The net sale proceeds of equity shares purchased by an NRI on a repatriation basis under the portfolio investment scheme under Schedule 3 of FEMA 20 may, at the option of such NRI, be remitted abroad or credited to such NRI's bank account in India as specified in FEMA 20. Currently, the limit of NRI holding in our Company is 10%.

As per the existing regulations, OCBs cannot participate in the Issue. Further, QFIs, FVCI's and multilateral and bilateral development financial institutions are not eligible to participate in the Issue.

The RBI has, by a letter (FE.CO.FID/23413/10.78.000(38)/2011-12) dated April 4, 2012, clarified that FIIs participating in the Issue may be guided by Schedule 2 of the FEMA 20 and NRIs participating on repatriation or non-repatriation basis in the Issue may be guided by Schedules 3 and 4 of the FEMA 20, respectively.

Please note that non-residents, other than FIIs investing under PIS in accordance with Schedule 2 of the FEMA 20 and Eligible NRIs investing on non-repatriation basis in accordance with Schedule 4 of the FEMA 20, are not permitted to participate in the Issue.

Foreign Trade (Development and Regulation) Act, 1992

The Foreign Trade (Development and Regulation) Act, 1992 ("**FTDRA 1992**") seeks to develop and regulate foreign trade by facilitating imports into and augmenting exports from India. The FTDRA 1992 prohibits a person or company from making any exports or imports unless such a person or company has been granted an importer-exporter code number.

Foreign Trade Policy 2009-2014

The revised foreign trade policy for the period of 2009- 2014 issued by the Ministry of Commerce and Industry, Government of India includes gems and jewellery within the initiatives identified for special focus. The objective behind declaring a sector as a sector with special focus is to increase the percentage share of global trade in relation to that sector and expanding employment opportunities within the sector. Government of India has provided an impetus to the gems and jewellery industry with the following trade policies:

1) Import of gold of 8 carat and above under replenishment scheme subject to import being accompanied by

2) specified certificate specifying the purity, weight and alloy content;

3) Duty free import of consumables, for jewellery made out of:

   a. Precious metals (Other than gold and platinum) up to 2%;
   b. Gold and Platinum up to 1%;

c. Rhodium finished silver up to 3%;
d. cut and Polished Diamonds up to 1%;

4) Duty free import entitlement of commercial samples is ₹ 300,000;

5) Duty free re-import entitlement for rejected jewellery up to 2% of free on board value of exports;

6) Imports of diamonds on consignment basis for certification / grading and re- export by the authorized offices/ agencies of GIA in India or other approved agencies is permitted;

7) Personal carriage of gems and jewellery products in case of holding/ participating in overseas exhibitions increased to US$ 5,000,000 and to US$ 1,000,000 in case of export promotion tours;

8) Extension in number of days for re-import of unsold items in case of participation in an exhibition in USA increased to 90 days; and

9) Proposal to establish a diamond bourse in an endeavour to make India an international trading hub for diamonds.

Gem and Jewellery Export Promotion Council

The Government of India has designated the Gem and Jewellery Export Promotion Council ("**GJEPC**") as the importing and exporting authority in India in keeping with its international obligations under Section IV(b) of the Kimberley Process Certification Scheme ("**KPCS**"). The GJEPC has been notified as the nodal agency for trade in rough diamonds. The KPCS is a joint government, international diamond and civil society initiative to stem the flow of conflict diamonds, which are rough diamonds used by rebel movements to finance wars against legitimate governments. The KPCS comprises participating governments that represent approximately 99.8% of the world trade in rough diamonds. The KPCS has been implemented in India from January 1, 2003 by the Government of India through communication No. 12/13/2000-EP (GJ) dated November 13, 2002. However, under the Special Economic Zones Rules, 2006, the Development Commissioners have been delegated powers to issue Kimberley Process Certificates for units situated in the respective Special Economic Zone (the "**SEZ**").

RBI Circulars regulating Gold Loans

The RBI has permitted nominated banks to import gold for purposes of extending gold metal loans to domestic jewellery manufacturers subject to certain conditions, including that the tenor of the gold loans (which can be decided by the nominated banks) does not exceed 180 days from the date of procurement of gold and the interest charged to the borrowers is linked to the international gold rates.

The RBI has also permitted nominated agencies and approved banks to import gold on loan basis for on-lending to exporters of jewellery, subject to certain conditions, including that the maximum tenor of gold metal loans does not exceed 270 days from the date of procurement of gold by the exporter based on the foreign trade policy 2009-2014. Gems and jewellery export oriented units and specified units in SEZs are permitted to import gold on a loan basis directly or through nominating agencies, subject to specified conditions.

Pursuant to the Second Quarter Review of the Monitory Policy 2012-13, issued by the RBI on October 30, 2012, the RBI has prohibited the banks from granting any advance against gold bullion to gold dealers or traders, if, in the assessment of the banks, such advances are likely to be utilized for purposes of financing gold purchase at auctions and/or speculative holding of stocks and bullion. In addition, the RBI has also sought to impose a prohibition on the banks from financing the purchase of gold in any form, other than working capital facilities.

LABOUR RELATED LEGISLATIONS:

The Factories Act, 1948

The Factories Act, 1948 (the "**Factories Act**") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. It applies to industries in which (i) 10 or more than 10 workers are employed on any day of the preceding 12 months and are engaged in the manufacturing process being carried out with the aid of power, or (ii) 20 or more than 20 workers are employed in the manufacturing process being carried out without the aid of power. Each State has enacted rules in respect of the prior submission of plans and their approval for the establishment, registration and licensing of factories. The Factories Act provides that the occupier of a factory, i.e., the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. The Factories Act also provides for fines to be paid and imprisonment of the manager of the factory in case of any contravention of the provisions of the Factories Act.

Depending upon the nature of the activity undertaken by us, additional applicable labour laws and regulations include the following:

a) **The Employee's Compensation Act, 1923;**
b) **The Payment of Gratuity Act, 1972;**
c) **The Payment of Bonus Act, 1965;**
d) **The Maternity Benefit Act, 1961;**
e) **The Minimum Wages Act, 1948;**
f) **The Employee's State Insurance Act, 1948;**
g) **The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;**
h) **The Payment of Wages Act, 1936; and**
i) **The Industrial Disputes Act, 1947.**

ENVIRONMENTAL REGULATIONS:

The Environment Protection Act, 1986 (the "**Environment Protection Act**"), Water (Prevention and Control of Pollution) Act, 1974 (the "**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981 (the "**Air Act**") provide for the prevention, control and abatement of pollution. Pollution Control Boards ("**PCBs**") have been constituted in all the States in India to exercise the authority provided under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain approvals of the relevant State PCBs for emissions and discharge of effluents into the environment. The Hazardous Wastes (Management, Handling and Trans-boundary Movement) Rules, 2008 (the "**Hazardous Waste Rules**") impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal. Every occupier and operator of the facility generating hazardous waste is required to obtain an approval from the relevant PCB for collecting, storing and treating the hazardous waste.

TAX RELATED LEGISLATIONS:

Sales Tax (Value Added Tax) / Central Sales Tax / Import Duty and Excise Duty

Sales tax is levied on the sale of movable property in goods. In India, sales tax is levied both at the federal level under the Central Sales Tax Act, 1956 as well as the state level under the respective state legislation.
Goods sold within the jurisdiction of a state are charged to Value Added Tax ("**VAT**") in accordance with the VAT statute of that state. All the states have in force a separate VAT statute which prescribes the rates at which VAT will be levied on taxable goods sold within that state. VAT is usually payable by a 'dealer' of goods (i.e. a person who carries on the business of selling or purchasing goods within a state) on its sales turnover. Depending on the schedule in which a good is categorized, VAT would be either exempt or levied at the rate of 1%, 4%, 12.5% or such other rate as the State Government notifies from time to time.

Central Sales Tax ("**CST**") is levied in accordance with the Central Sales Tax Act, 1956 on movable goods sold in the course of inter-state trade or commerce. CST is payable by a dealer (i.e. a person who carries on the business of buying, selling, supplying or distributing goods) on his sales turnover at the rate prescribed in the VAT statute of the State from where the movement of the goods originate. However, a dealer is entitled to a concessional rate of 2% CST on goods which are sold to another registered dealer who intends to further re-sell them or use them in the manufacture or processing for further sale or for certain other specified purposes, subject to the condition that the purchasing dealer issues a statutory form "C" to the selling dealer.

Pursuant to notifications (No. 12/2012-Customs and No. 2/2012-Customs), issued by the Ministry of Finance, Government of India, the import duty payable on gold bars (other than tola bars) and platinum is 4% of the value of gold or platinum being imported and the import duty payable on silver is 6% of the value of silver being importer. The notifications also introduce a custom duty of 2% on polished coloured gems and a custom duty of 2% on nonindustrial diamonds including lab grown diamonds (other than rough diamonds). Pursuant to notification (No. 12/2012 – Central Excise), issued by the Ministry of Finance, Government of India , the excise duty on (i) gold bars, other than *tola* bars starting from the stage of gold ore or concentrate; and (ii) gold bars and coins of purity not below 99.5%, is 3%. The gold coins of purity 99.5% and above, and silver coins of purity 99.9% and above are fully exempt from excise duty. Further, pursuant to the Finance Bill 2012-2013, Income Tax Act, 1961 ("**Income Tax Act**") has been amended to impose an additional tax of 1% to be collected at source from the buyer in case of purchases of jewellery or bullion, if the value of the jewellery or bullion purchased by the buyer exceeds 500,000 and 200,000, respectively.

MISCELLANEOUS REGULATIONS:

The Shops and Establishments Act

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Trade Marks Act, 1999

The Trade Marks Act, 1999 (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. 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.

Special Economic Zone

A SEZ is a geographically bound duty free zone for the purposes of trade and operations. SEZs were first introduced in April, 2000 as a part of the Export-Import Policy. The Special Economic Zones Act, 2005 (the "**SEZ Act**") and the Special Economic Zones Rules, 2006 (the "**SEZ Rules**") simplified the procedure for development, operation and maintenance of the SEZs and for the setting up of and conducting business in the SEZs. Under the SEZ Act and the SEZ Rules, the incentives and facilities offered to the SEZ units include:

- duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units;
- exemption from custom duties, central excise duties, service tax, central sales taxes and securities transaction tax to both the developers and the units;
- 100% income tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act, 1961 for the first five years, 50% for the next five years thereafter and 50% of the ploughed back export profit for the next five years; and
- Subject to certain conditions, external commercial borrowing by SEZ units up to USD 500 million in a year without any maturity restriction through recognized banking channels.

For setting up a unit in an SEZ, a letter of approval has to be obtained from the Development Commissioner of the concerned SEZ. The grant of a letter of approval is dependent upon the unit meeting certain terms and conditions, as set out in the SEZ Act and the SEZ Rules. Such conditions include, among other things, the achievement of positive net foreign exchange to be calculated cumulatively for a period of five years from the commencement of production, in accordance with the formula set out in the SEZ Rules and the execution of a bond-cum-legal undertaking with regard to its obligations pertaining to proper utilization and accounting of goods, imported or procured duty free and the achievement of positive net foreign exchange.

HISTORY AND CERTAIN CORPORATE MATTERS

In the year 1970, Mr. Popatlal Mangukiya had commenced operations in the diamond market on a small scale in Surat. After witnessing rapid growth and considering the immense scope in this business, Mr. Ramesh Mangukiya and Mr. Rasik Mangukiya (sons of Mr. Popatlal Mangukiya) joined the family business. They continued the business of trading, processing, cutting, and finishing of precious stones, gems and jewellery and in the year 1997, they registered their business as a Partnership Firm, namely, M/s Perry Impex. Our Company was originally incorporated with the Registrar of Companies, Mumbai on July 22, 2010 as Perry Impex Private Limited and subsequently, pursuant to a Take Over Agreement dated October 01, 2010, among Mr. Rasik Mangukiya, Mr. Ramesh Mangukiya (collectively, the Owners of M/s Perry Impex) and our Company, our Company purchased as a going concern the entire business of M/s Perry Impex. Hence, our group has its presence in the Diamond Industry for more than four decades.

Our Company was incorporated as Perry Impex Private Limited on July 22, 2010 under the Companies Act, 1956, with the Registrar of Companies, Mumbai, bearing the Registration Number 205838. The status of our Company was changed to a public limited company and the name of our Company was changed to Perry Impex Limited by a special resolution passed on September 05, 2014. A fresh certificate of incorporation consequent to the change of name was granted to our Company on November 03, 2014, by the Registrar of Companies, Mumbai.

We are an integrated player in the Diamond Industry with expertise ranging from manufacturing / processing to exporting of polished diamonds and diamond jewellery. Our current focus area is in coloured round diamonds and hence our offering includes OW, TTLB, Dark Brown and Black Polished Diamonds. We have also begun in-house manufacturing and retailing of diamond jewellery under our newly launched *"Perrian"* brand. Our products range across different price points and cater to customers across high-end, mid-market and value market segments. For further details regarding our business operations, please see the Chapter titled "*Business Overview*" beginning on page 76 of this Draft Prospectus.

Our Company has seven (7) shareholders, as on the date of this Draft Prospectus.

Major events and Milestones

Year	Major Events
1997	Incorporated as a Partnership Firm under the name and style of "Perry Impex"
1997	Set up a factory in Palitana admeasuring 8,250 sq. ft. for cutting and polishing of diamonds
1997	Set up an office in Surat for operations and assortment of rough and polished diamonds
2005	Accredited as a Small Scale Enterprise by District Industries Centre, Surat
2009	Set up a manufacturing unit in a Special Economic Zone for (i) manufacturing of diamond studded gold and silver jewellery and (ii) trading of cut and polished diamonds
2010	Conversion of partnership firm into Private Limited Company under Part IX, section 566 of Companies Act, 1956
2011	Recognised as a star export house for a period of 5 years, period ending March 31, 2016 by Government of India, Ministry of Commerce and Industry, Directorate General of Foreign Trade, New Delhi
2013	Incorporation of Perry Creation Private Limited as a Subsidiary to manufacture jewellery
2013	Incorporation of Perrian Lifestyle Private Limited as a Subsidiary to run a business of retail luxury goods
2013	Set up a luxury goods retail store in Mumbai
2013	Launched " Perrian" as a luxury goods brand
2013	Set up a factory at Gariyadhar admeasuring 3,335 sq. ft. for cutting and polishing of diamonds
2013	Set up a factory in Surat admeasuring 3,000 sq. ft. for cutting and polishing of diamonds
2014	Set up a Corporate Office in one of the prime areas in Mumbai
2014	Incorporation of Perry Impex (USA) Inc., as a foreign Subsidiary and set up a marketing office in New York
2014	Recognised as a Trading house for a period of 5 years period ending March 31, 2019 by Government of India, Ministry of Commerce and Industry, Directorate General of Foreign Trade, New Delhi
2014	Conversion of Company into Public Limited Company as Perry Impex Limited

Main Objects of our Company

The main objects of the Company on its incorporation were as below:

1. To take-over running business of the registered partnership firm viz. "Perry Impex" alongwith all the assets and liabilities of the aforesaid firm.

2. To carry on the business to buy, sell, import, export, wholesale, retail and to act as agent, broker, adatia, job worker, consignor, contractor, vendor, collaborator, stockiest, distributor or otherwise to deal in all shapes, sizes, varieties, designs, application, combinations & uses of apparel, ornaments, gems, jewelries, goods, watches, clocks, cutleries, fabrics, utensils, antiques, articles & things, their parts, accessories, fittings, components, ingredients and materials thereof made partly or wholly of gold, silver, platinum or other precious metals and alloy thereof together with precious, semi-precious, imitation, synthetic, natural or other varieties of stones in India and Abroad.

3. To carry on business of manufacturing, processing, ginning, pressing, spinning, weaving, colouring and to act as broker, trader, agent of all types of textile goods, dress materials, fabrics, cloths and yarns in India and Abroad.

Changes in Registered Office of our Company

Date of Change of Registered Office	Old Address	New / Current Address
August 29, 2012	42, Shreeji Plaza, 2nd Floor, Tata Road No. 1, Mumbai 400 004	1001-1019-1020, 10th floor, Prasad Chambers, Opera House, Mumbai 400 004

The changes in our registered office were to ensure greater operational efficiency.

Amendments to the Memorandum of Association

Dates on which some of the clauses of the Memorandum of Association of our Company have been changed citing the details of amendment as under:

Date	Nature of Amendment
October 10, 2010	Increase in Authorised Capital from ₹ 1,00,000 divided into 10,000 equity shares of ₹ 10 each to ₹ 7,00,00,000 divided into 70,00,000 equity shares of ₹ 10 each.
December 17, 2013	Increase in Authorised Capital from ₹ 7,00,00,000 divided into 70,00,000 equity shares of ₹ 10 each to ₹ 15,00,00,000 divided into 1,50,00,000 equity shares of ₹ 10 each.
November 03, 2014	Conversion of Company into Public Limited Company as Perry Impex Limited

Shareholders' Agreement

There are no Shareholders' Agreements existing as on the date of this Draft Prospectus.

Other Agreements

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreements / contracts as on the date of this Draft Prospectus.

Acquisition of Business / Undertakings

Pursuant to a Take-Over Agreement dated October 01, 2010, among Mr. Rasik Mangukiya and Mr. Ramesh Mangukiya (collectively, the original Owners) and our Company, our Company purchased as a going concern the entire business of M/s Perry Impex, a partnership constituted pursuant to a deed of partnership dated July 01, 1997 and engaged in the business of buying, selling, importing, exporting, processing, cutting, finishing, etc. of Diamonds, Gems, Precious Stones, etc. The rationale for the takeover was to consolidate the two entities under one management and control, establish a diversified business in the gems and jewellery sector and achieve an optimum size of business.

Pursuant to the Take-Over Agreement, with effect from October 01, 2010, all the assets and properties of M/s Perry Impex were transferred to the Company.

Our Subsidiaries

Our Company has three subsidiaries –

- Perrian Lifestyle Private Limited
- Perry Creation Private Limited
- Perry Impex USA Inc.

For details, please see chapter titled "*Our Subsidiaries*" beginning on page 95 of this Draft Prospectus.

Financial Partners

We do not have any financial partners as on the date of this Draft Prospectus.

Strategic Partners

We do not have any strategic partners as on the date of this Draft Prospectus.

Joint Ventures

As on the date of this Draft Prospectus, there are no joint ventures of our Company.

Other Confirmations

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

OUR SUBSIDIARIES

Our Company has three Subsidiaries. None of the Subsidiaries have made any public or rights issue in the last three years and have not become sick companies under the meaning of SICA and are not under winding up. Other than as disclosed in the chapter titled *"Our Promoter, Promoter Group and Group Companies"* beginning on page 110 of this Draft Prospectus.

Interest of the Subsidiaries in our Company

None of the Subsidiaries hold any Equity Shares in our Company. Except as stated in "*Annexure XVII - Related Party Transactions*" on page 150 of this Draft Prospectus, our Subsidiaries do not have any other interest in our Company's business.

Common Pursuits

Except as disclosed in the chapter titled *"Our Promoter, Promoter Group and Group Companies"* beginning on page 110 of this Draft Prospectus, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. The Company shall adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

Details of our Subsidiaries are given below -

1. Perrian Lifestyle Private Limited (PLPL)

Corporate Information

PLPL was incorporated as Perry Lifestyle Private Limited under the Companies Act, 1956 and a Certificate of Incorporation was issued by the Registrar of Companies, Mumbai on October 11, 2013. PLPL was set up to run the business of manufacturing, processing, importing, exporting and deal in all types of apparels and textile goods, and also carry on the business of gems and jewellery as manufacturers, brokers, agents, etc.

Its registered office is situated at 1001, Floor-10, Plot No. CS 1487 Prasad Chamber, Tata Road No. 2, Roxy Cinema, Opera House, Girgaon, Mumbai 400004.

Board of Directors

- Rasik Mangukiya
- Ramesh Mangukiya

For additional details on the age, background, personal address, educational qualifications, experience, positions / posts held in the past and Directorship held by the abovementioned Directors, please see the chapter titled "*Our Management*" beginning on page 98 of this Draft Prospectus.

Capital Structure

Particulars	No. of Equity Shares of ₹ 10 each
Authorised capital	10,000
Issued, subscribed and paid-up capital	10,000

Shareholding Pattern

PLPL is a wholly-owned subsidiary of our Company.

Financial Information

The summary of audited financials of PLPL is as follows:

(in ₹)

Sr. No.	Particulars	As at March 31		
		2014	2013*	2012*
1	Equity Capital	100000	N.A.	N.A.
2	Reserves (excluding revaluation reserve) and Surplus	(1840597)	N.A.	N.A.
3	Income including other income	3234070	N.A.	N.A.
4	Profit/ (Loss) after tax	(1840597)	N.A.	N.A.
5	Earnings per share (face value of ₹ 10 each)	(184.06)	N.A.	N.A.
6	Net asset value per share (face value of ₹ 10 each)	(174.06)	N.A.	N.A.

**Since the Company was incorporated in October 2013, hence the Annual Reports for Fiscal 2013 and Fiscal 2012 are not available.*

2. Perry Creation Private Limited (PCPL)

Corporate Information

PCPL was incorporated as Perry Creation Private Limited under the Companies Act, 1956 and a Certificate of Incorporation was issued by the Registrar of Companies, Mumbai on May 03, 2013. PCPL was set up to run the business of manufacturing, processing, importing, exporting and deal in all types of apparels and ornaments.

Its registered office is situated at Office No. 50, Sahyog Chambers, Minibazar, Varachha Road, Surat, Gujarat – 395006.

Board of Directors

- Mr. Rasik Mangukiya
- Mr. Rankit Mangukiya

For additional details on the age, background, personal address, educational qualifications, experience, positions / posts held in the past and Directorship held by the abovementioned directors, please see the chapter titled "*Our Management*" beginning on page 98 of this Draft Prospectus.

Capital Structure

Particulars	No. of Equity Shares of ₹ 10 each
Authorised capital	10000
Issued, subscribed and paid-up capital	10000

Shareholding Pattern

The shareholding Pattern of PCPL as on date of this Draft Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	% of Total Equity Holding
1	Rasik Mangukiya (Representative of Perry Impex Limited)	5100	51%
2	Rankit Mangukiya	4900	49%
	Total	**10000**	**100.00%**

Financial Information

The summary of audited financials of PCPL is as follows:

(in ₹)

Sr. No.	Particulars	As at March 31		
		2014	2013*	2012*
1	Equity Capital	1,00,000	N.A.	N.A.
2	Reserves (excluding revaluation reserve) and Surplus	(10,57,611)	N.A.	N.A.
3	Income including other income	52,33,288	N.A.	N.A.
4	Profit/ (Loss) after tax	(10,57,611)	N.A.	N.A.
5	Earnings per share (face value of ₹ 10 each)	(105.76)	N.A.	N.A.
6	Net asset value per share (face value of ₹ 10 each)	(95.76)	N.A.	N.A.

**Since the Company was incorporated in October 2013, hence the Annual Reports for Fiscal 2013 and Fiscal 2012 are not available.*

3. Perry Impex (USA) Inc. (PIUA)

Corporate Information

PIUA was incorporated as Perry Impex USA Inc. on July 02, 2014, under Section 402 of the Business Corporation Law of the State of New York and bearing Employer Identification Number 47 – 1256251. PIUA was set up to run the business of gems, cut and polished diamonds, diamond studded gold and silver jewellery.

Its registered office is situated at 85 Willow Avenue, Iselin, New Jersey 08830.

Board of Directors

- Rasik Mangukiya

For additional details on the age, background, personal address, educational qualifications, experience, positions / posts held in the past and Directorship held by the abovementioned directors, please see the chapter titled "*Our Management*" beginning on page 98 of this Draft Prospectus.

Capital Structure

Particulars	No. of Equity Shares of $ 0.01 each
Authorised capital	2,000
Issued, subscribed and paid-up capital	2,000

Shareholding Pattern

PIUA is a wholly-owned subsidiary of our Company.

Financial Information

Since PIUA was incorporated in July 2014, hence the Annual Reports for the last three financial years are not available.

OUR MANAGEMENT

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

Sr. No.	Name, Current Designation, Address, Term, Occupation and DIN	Nationality	Age	Other Directorships
1	**Rasik Mangukiya** **Address:** A-38, Saif Society, L. H. Road, Surat – 395006 **Date of appointment as Director:** July 22, 2010 **Date of appointment as Managing Director:** September 05, 2014 **Term as Managing Director:** 3 years upto September 04, 2017 **Occupation:** Business **DIN:** 02226186	Indian	36 years	• Perry Creation Private Limited • Perrian Lifestyle Private Limited
2	**Ramesh Mangukiya** **Address:** A-38, Saifee Society, L. H. Road, Surat - 395010 **Date of appointment as Director:** July 22, 2010 **Date of appointment as Whole-Time Director:** September 05, 2014 **Term as Whole-Time Director:** 3 years upto September 04, 2017 **Occupation:** Business **DIN:** 02964700	Indian	39 years	• Peace Media and Entertainment Private Limited • Perrian Lifestyle Private Limited
3	**Vilas Mangukiya** **Address:** A/38, Saifi Society, Lambe Hanuman Road, Surat-395006 **Date of appointment as Director:** August 25, 2014 **Date of appointment as Executive Director:** September 27, 2014 **Term as Executive Director:** Liable to retire by rotation **Occupation:** Business **DIN:** 06957690	Indian	34 years	Nil
4	**Mahesh Vaghani** *Non-Executive Independent Director* **Address**:12, Vishnu Nagar Society, Ashwani Kumar Road, Surat - 395006	Indian	48 years	• Bharat Diamond Bourse

Sr. No.	Name, Current Designation, Address, Term, Occupation and DIN	Nationality	Age	Other Directorships
	Date of appointment as Additional Director: December 01, 2014 **Term as Additional Director:** Upto next Annual General Meeting **Occupation:** Professional **DIN:** 02796828			
5	**Sanjay Mutha** *Non-Executive Independent Director* **Address:** 42, Crisadel, Shivaji Nagar Lane, Vakola Bridge, Near Sona Hospital, Santa Cruz (East), Mumbai - 400055 **Date of appointment as Additional Director:** December 01, 2014 **Term as Additional Director:** Upto next Annual General Meeting **Occupation:** Professional **DIN:** 03207633	Indian	49 years	• Siddhi Polychem Pvt. Ltd.
6	**Bharat Kakadiya** *Non-Executive Independent Director* **Address:** 401, Punit Apartments, Plot No. 356, Nanda Patkar Road, Nr. Jay Chambers, Vile Parle (E), Mumbai - 400057 **Date of appointment as Additional Director:** December 01, 2014 **Term as Additional Director:** Upto next Annual General Meeting **Occupation:** Professional **DIN:** 06912775	Indian	44 years	NIL

For further details on their qualification, experience etc., please see their respective biographies under the heading "*Brief Biographies*" below.

Other Notes:

- None of the Directors on our Board are related to each other, except for Mr. Ramesh Mangukiya, being the brother of Mr. Rasik Mangukiya and Mrs. Vilas Mangukiya, being the wife of Mr. Rasik Mangukiya.

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.

- There are no service-contracts entered into by the Directors with our Company providing for benefits upon termination of employment.

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

Brief Biographies of our Directors

- **Rasik Mangukiya**

Mr. Rasik Mangukiya, aged 36 years is one of the Promoters of our Company and has been with our Company as a Director since the time of incorporation. He has successfully completed a course on "Diamond Grading Lab" certified by the GIA (Gemological Institute of America). He has also been awarded various certificates like "Drishti Certificate for Excellence" - a workshop on leadership skills, "Best Vision Award", a course on Entrepreneurship, conducted by Smmart Training and Consultancy Services Pvt. Ltd. His business experience of around sixteen years began at his family business of diamond trading, under the guardianship of his father, Mr. Popatlal Mangukiya. He has an in depth knowledge and acumen of the Gems and Jewellery Industry. He is involved in all aspects of the business including - business development, procurement, manufacturing, assortment, devising business marketing strategies, operations and sales. He was re-appointed as the Chairman and Managing Director of our company with effect from September 05, 2014.

- **Ramesh Mangukiya**

Mr. Ramesh Mangukiya, aged 39 years is one of the Promoters of our Company and has been with our Company as a Director since the time of incorporation. He has a business experience of seventeen years at his family business of jewellery manufacturing and trading. His functional responsibility in our Company involves handling the overall business affairs of our Company including human capital management, looking after the financials and administration of our Company. He was re-appointed as the Whole-Time Director of our company with effect from September 05, 2014.

- **Vilas Mangukiya**

Mrs. Vilas Mangukiya, aged 34 years was appointed as a Director on our Board on August 25, 2014. She is the wife of our Promoter and Managing Director – Mr. Rasik Mangukiya and is part of our Promoter Group. She has over a decade of jewellery designing experience having played a support role in the family business – M/s. Perry Impex. She is an Executive Director of the company.

- **Mahesh Vaghani**

Mr. Mahesh Vaghani, aged 48 years is the Non-Executive Independent Director of our Company. He was appointed on our Board on December 01, 2014 as an Additional Director. Mr. Mahesh Vaghani has an experience of over 35 years in the diamond industry. He started his career as a Diamond Cutter in the year 1979 and over the years has been involved in various activities relating to diamond industry. He has worked and gained comprehensive knowledge about diamond industry which includes cutting, grading, trading and wholesale/retail selling. In the year 1993, he started his own manufacturing firm under the name and style of Bhoomika Gems and has been running this firm for over 2 decades. He is also a Director in the Bharat Diamond Bourse and is actively involved in various social and educational causes like in Mumbai and Surat.

- **Sanjay Mutha**

Mr. Sanjay Mutha, aged 49 years is the Non-Executive Independent Director of our Company. He was appointed on our Board on December 01, 2014 as an Additional Director. He holds a degree of Bachelor of Engineering from the Maharashtra Institute of Technology, Pune. He began his professional career in the year 1992 at Supreme Industries where he was appointed as a Trainee. After a brief stint at the Company, Mr. Mutha started his own consultancy services in the field of engineering. He has provided consultancy services (specifically product innovation like Chemicals / Plastic containers, etc.) to reputed Companies such as Time Technopast and Bajaj Steel. Currently, other than running his own business as a Self-employed Consultant, he is also a Motivational Speaker whereby he trains individuals and Corporates on one-on-one basis and at events.

- **Bharat Kakadiya**

Mr. Bharat Kakadiya, aged 44 years is the Non-Executive Independent Director of our Company. He was appointed on our Board on December 01, 2014 as an Additional Director. He holds a Bachelor's degree in Science from Sardar Patel University and also a Diploma in Export – Import Management from the Indian Merchants' Chamber, Mumbai. He has an experience of around ten years at the Sheetal Group where he was appointed as Group Financial Officer in the year 2005.

Borrowing Powers of our Board of Directors

Our Company at its Extra-Ordinary General Meeting held on December 17, 2013, passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 (1) (c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate (including holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deem fit for the purpose of the Company's business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid up share capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not, at any time, exceed ₹ 100 Crores (Rupees 100 Crores only).

Remuneration of Directors

- **Rasik Mangukiya, Chairman and Managing Director**

The compensation package payable to him as resolved in the shareholders meeting held on August 25, 2014 is stated hereunder:

Basic Salary: ₹ 4,00,000 per month

Perquisites, Benefits and Allowances: Car with driver

- **Ramesh Mangukiya, Whole-Time Director**

The compensation package payable to him as resolved in the shareholders meeting held on August 25, 2014 is stated hereunder:

Basic Salary: ₹ 3,00,000 per month

Perquisites, Benefits and Allowances: Nil

- **Vilas Mangukiya, Executive Director**

The compensation package payable to her as resolved in the shareholders meeting held on September 27, 2014 is stated hereunder:

The Remuneration paid will be as decided by Board of Directors of the Company from time to time but in any case not exceeding a sum of ₹ 300,000 per annum, subject to the provisions of Companies Act, 2013 and Rules thereof.

- **Compensation of Non-Executive Independent Directors**

The Board of Directors have accorded their approval for payment of sitting fee, in their meeting held on December 26, 2014, whereby the Non-Executive Independent Directors of our Company would be entitled to a sitting fee of ₹ 5,000 for attending every meeting of Board or its committee thereof.

Compensation paid to Directors for the last completed financial year (i.e. Year ended March 31, 2014)

(₹ in lakhs)

Sr. No.	Name of Director	Remuneration	Sitting Fees	Other Fees	Total
1.	Rasik Mangukiya	41.00	0.00	0.00	**41.00**
2	Ramesh Mangukiya	32.50	0.00	0.00	**32.50**

Shareholding of Directors

Except as disclosed below, none of the directors hold shares of our company as on the date of this Draft Prospectus:

Name of Directors	No. of Equity Shares held	% of Pre-Issue Paid Up Capital
Rasik Mangukiya	55,25,000	65.00%
Ramesh Mangukiya	29,70,000	34.94%
Vilas Mangukiya	1,000	0.01%
TOTAL	**84,95,000**	**99.95%**

Interest of the Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or their relatives or the companies in which they are interested as Directors, Members, and Promoters. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in this chapter titled "*Our Management*" beginning on pages 98 and the *Annexure XVII - Related Party Transactions*" on page 150 of this Draft Prospectus respectively, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Prospectus. Our Company has not taken any property on lease from our Promoter(s) within two years of the date of this Draft Prospectus.

Changes in the Board of Directors in the last 3 years

Following are the changes in our Board of Directors in the last three years:

Sr. No.	Name of Director	Date of Appointment	Date Of Cessation	Reason for Change
1	Vilas Mangukiya	August 25, 2014		New Appointment
2	Sanjay Mutha	December 01, 2014	-	New Appointment
3	Mahesh Vaghani	December 01, 2014	-	New Appointment
4	Bharat Kakadiya	December 01, 2014	-	New Appointment

CORPORATE GOVERNANCE

The provisions of the SME Equity listing agreement, to be entered into by our Company with the Stock Exchange, will be applicable to our Company immediately upon the listing of our Equity Shares with the Stock Exchange. We have complied in accordance with Clause 52 (as applicable) of the SME Equity listing agreement, particularly in relation to appointment of Independent Directors to our Board and constitution of an Audit committee, a Stakeholder's Relationship Committee and a Nomination and Remuneration Committee.

We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

1. Audit Committee
2. Stakeholder's Relationship Committee
3. Nomination and Remuneration Committee

1. Audit Committee

The Audit Committee of our Board was reconstituted by our Directors by a board resolution dated December 26, 2014 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Bharat Kakadiya	Non Executive Independent Director	Chairman
Rasik Mangukiya	Managing Director	Member
Sanjay Mutha	Non Executive Independent Director	Member

The scope of Audit Committee shall include but shall not be restricted to the following:

a) Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) 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.

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- 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
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report.

e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval

f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the company with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of the company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

m) 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.

n) Discussion with internal auditors any significant findings and follow up there on.

o) 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.

p) 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.

q) 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.

r) To review the functioning of the Whistle Blower mechanism,.

s) 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.

t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.
Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

The Audit Committee enjoys following powers:

a) To investigate any activity within its terms of reference

b) To seek information from any employee

c) To obtain outside legal or other professional advice

d) To secure attendance of outsiders with relevant expertise if it considers necessary

e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

The Audit Committee shall mandatorily review 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.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Company Secretary of the Company acts as the Secretary to the Committee.

Meeting of Audit Committee

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present. Since the formation of the committee, no Audit Committee meetings have taken place.

2. Stakeholder's Relationship Committee

The Shareholder and Investor Grievance Committee of our Board were reconstituted by our Directors pursuant to section 178 (5) of the Companies Act, 2013 by a board resolution dated December 26, 2014. The Shareholder and Investor Grievance Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Bharat Kakadiya	Non Executive Independent Director	Chairman
Rasik Mangukiya	Managing Director	Member
Mahesh Vaghani	Non Executive Independent Director	Member

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

a) Allotment and listing of our shares in future

b) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;

c) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;

d) Reference to statutory and regulatory authorities regarding investor grievances;

e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;

f) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of our Company acts as the Secretary to the Committee.

Quorum and Meetings

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. Since the formation of the committee, no Stakeholders Relationship Committee meetings have taken place.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of our Board was reconstituted by our Directors pursuant to section 178 of the Companies Act, 2013 by a board resolution dated December 26, 2014.

The Nomination and Remuneration Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Bharat Kakadiya	Non-Executive Independent Director	Chairman
Sanjay Mutha	Non-Executive Independent Director	Member
Mahesh Vaghani	Non-Executive Independent Director	Member

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
b) Formulation of criteria for evaluation of Independent Directors and the Board;
c) Devising a policy on Board diversity
d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report

Quorum and Meetings

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

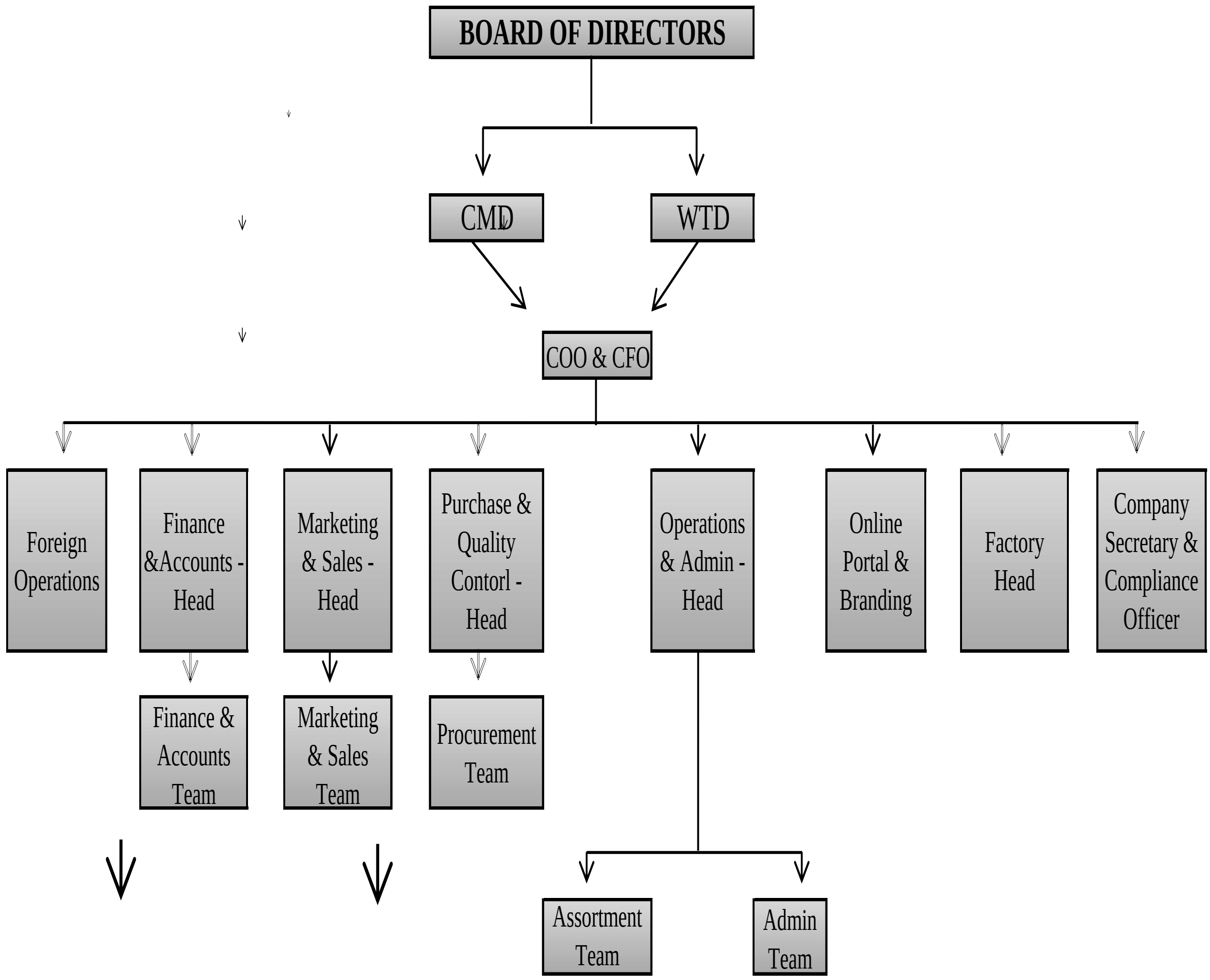
The Company Secretary of our Company acts as the Secretary to the Committee.

Policy on Disclosures & Internal procedure for prevention of Insider Trading

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Mr. Darshit Parikh is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

Management Organisation Structure



Abbreviations:

CMD	-	Chairman and Managing Director
WTD	-	Whole-Time Director
COO	-	Chief Operating Officer
CFO	-	Chief Financial Officer

Key Managerial Personnel

The details of our key managerial personnel are as below –

Name of Employee	Designation & Functional Area	Date of Joining	Current CTC p.a. (₹ in lakhs, unless stated otherwise)	Qualification	Past Work Experience
Satish Mangukiya	COO and CFO	August 2010	8.16	Undergraduate	• 10 years at M/s Perry Impex (partnership firm) • 4 years as an Independent Broker
Nitin Porwal	Head - Accounts & Finance	September 2012	6.36	• Bachelor of Commerce • Associate	• 6 months at M/s. Prakash Muni & Associates (Audit Firm)

Name of Employee	Designation & Functional Area	Date of Joining	Current CTC p.a. (₹ in lakhs, unless stated otherwise)	Qualification	Past Work Experience
				Member of ICAI	• 3 years at M/s. G.K. Soni & Co. (Audit Firm) • 1 year at Elite Business Advisors (Consulting Firm)
Ramesh Gabani	Head – Operation & Administration	August 2010	4.68	Undergraduate	• 6 years in M/s Perry Impex (partnership firm) • 2 years as an Independent Broker
Kishor Goyani	Head – Marketing & Sales	April 2012	4.20	Undergraduate	• 11 years in M/s Perry Impex (partnership firm) • 10 years as an Independent Broker
Khodiyal Gabani	Head – Purchase and Quality Control	August 2010	5.04	Undergraduate	• 8 years as an Independent Broker
Rankit Mangukiya	Head – Online Portal & Branding	May 2013	3.00	• Bachelor of Business	• 2 years in Perry Creation Pvt. Ltd.
Chirag Mangukiya	Head – Factory	September 2014	5.00	Undergraduate	• 10 years in M/s Perry Impex (partnership firm)
Darshit Parikh	Company Secretary & Compliance Officer	September 2014	3.60	• Bachelor of Commerce • Bachelor of Law • Associate Member of ICSI	• 3 years in KJS Group • 1 year 8 months in Sahara Group • 9 months in NSE Ltd. • 1 year 6 months in Ragini Choksi & Co.

Other Notes –

The aforementioned KMP are on the payrolls of our Company as permanent employees. Further, they are not related parties as per the Accounting Standard 18.

Relationship amongst the Key Managerial Personnel

Except for Mr. Chirag Mangukiya and Mr. Rankit Mangukiya who are cousin brothers, none of the employees forming part of the aforementioned KMP are related to each other. Also, none of them have been selected pursuant to any arrangement / understanding with major shareholders / customers / suppliers.

Shareholding of Key Managerial Personnel

None of the KMP of our Company holds any shares of our Company as on the date of this Draft Prospectus.

Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company, other than to the extent of remuneration of benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Further, if any Equity Shares are allotted to our Key Managerial Personnel prior to / in terms of this Issues, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years

Our Company does not have fixed bonus / profit sharing plan for any of the employees or Key Managerial Personnel.

Loans taken by Key Management Personnel

None of our Key Managerial Personnel have taken any loan from our Company.

Employee Share Purchase and Employee Stock Option Scheme

Presently, we do not have ESOP / ESPS scheme for employees.

Payment or Benefit to our Officers

Except for the payment of salaries and yearly bonus, if any, we do not provide any other benefits to our employees.

Changes in the Key Managerial Personnel in the three years preceding the date of filing this Draft Prospectus

Name	Current Designation	Date of Appointment	Date of Change / Cessation	Reason (if any)
Satish Mangukiya	COO and CFO	August 2010	September 2014	Promotion
Nitin Porwal	Head – Accounts and Finance	September 2012	October 2013	Promotion
Ramesh Gabani	Head – Operations and Administration	August 2010	October 2013	Promotion
Kishor Goyani	Head – Marketing and Sales	April 2012	October 2013	Promotion
Khodiyal Gabani	Head – Purchase and Quality Control	August 2010	October 2013	Promotion
Rankit Mangukiya	Head – Online Portal and Branding	April 2013	N.A.	Appointment
Chirag Mangukiya	Head – Factory	August 2014	N.A.	Appointment
Darshit Parikh	Company Secretary and Compliance Officer	September 2014	N.A.	Appointment

OUR PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES

The Promoters of our Company are:

1. Mr. Rasik Mangukiya
2. Mr. Ramesh Mangukiya

Brief details of our Promoters are given below:

Rasik Mangukiya

Identification	Details
PAN	AEBPM8133M
Passport No.	Z1861013
Driving License Number	MH0120090078276
Voter's ID	KMV8659161
Name of Bank & Branch	HDFC Bank; Vile Parle East – Station Road
Bank Account Number	02271000072548

Ramesh Mangukiya

Identification	Details
PAN	ABOPM3704G
Passport No.	F1664207
Driving License Number	GJ0519980254706
Voter's ID	KMV8659153
Name of Bank & Branch	Union Bank of India – Fort Branch
Bank Account Number	317901011011593

For additional details regarding age, background, personal address, educational qualifications, experience, positions/posts held in the past, terms of appointment as Directors and other directorships of our Promoters, please see the chapter titled "Our Management" beginning on page 98 of this Draft Prospectus.

For details of the build-up of our Promoters' shareholding in our Company, please see the chapter titled "Capital Structure –Notes to Capital Structure" beginning on *page 44 of this Draft prospectus.*

Other Undertakings and Confirmations

We confirm that the Permanent Account Number, Bank Account number and Passport number of our Promoters shall be submitted to the Stock Exchange at the time of filing of the Prospectus with the Stock Exchange.

Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Companies with which the Promoters have disassociated in the last three years

Except as disclosed below, our Promoters have not disassociated themselves from any of the companies, firms or entities during the last three years preceding the date of this Draft Prospectus:

Sr. No.	Name of the Company	Particulars of Disassociation
1	Tangent Exim (India) Pvt. Ltd. (Formerly known as Nirman Enterprises (I) Pvt. Ltd.)	Mr. Rasik Mangukiya was appointed as Director in the company on July 02, 2008 and due to personal reasons he had subsequently resigned from the company w.e.f. April 01, 2014. He also sold all his holdings in the company on April 01, 2014 and he does not hold any shares in the company as on date.

Interests of Promoters and Common Pursuits

None of our Directors / Promoters have any interest in our Company except to the extent of compensation payable / paid and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled "*Capital Structure*", "*Our Promoters, Promoter Group and Group Companies*" and "*Our Management*" beginning on pages 43, 110 and 98 of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business. Further, except as disclosed in this chapter, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by us.

Payment of Amounts or Benefits to the Promoters or Promoter Group during the last two years

Except as stated in "*Annexure XVII – Statement of Related Party Transactions*" of the chapter titled "*Financial Statements*" beginning on page 117 of this Draft Prospectus, there has been no payment of benefits to our Promoters during the two years preceding the date of the Draft Prospectus.

Interest of Promoters in the Promotion of our Company

Our Company is currently promoted by the promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest of Promoters in the Property of our Company

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of this Draft Prospectus or proposed to be acquired by our Company as on the date of this Draft Prospectus.

Further, other than as mentioned in the chapter titled "*Business Overview*", our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years

For details, please see "*Annexure XVII – Statement of Related Party Transactions*" on page 150 of this Draft Prospectus.

Interest of Promoters in our Company other than as Promoters

Other than as Promoters, our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. For details please see chapters titled *"Our Management"* and *"Capital Structure"* beginning on pages 98 and 43 respectively of this Draft Prospectus.

Except as mentioned in this section and the chapters titled "*Business Overview*", "*Objects of the Issue*", "*History and Certain Corporate matters*" and "*Annexure XVII – Statement of Related Party Transactions*" of the section titled *"Financial Information"* beginning on pages 76, 52, 92 and 117 of this Draft Prospectus, respectively, our Promoters do not have any interest in our Company other than as promoters.

Related Party Transactions

Except as stated in the "*Annexure XVII – Statement of Related Party Transactions*" on page 150 of this Draft Prospectus, our Company has not entered into related party transactions with our Promoters or our Group Companies.

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Draft Prospectus, please see the chapter titled "*Capital Structure – Notes to Capital Structure*" beginning on page 44 of this Draft Prospectus.

Other Confirmations

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the "*Annexure XVII – Statement of Related Party Transactions*" on page 150 of this Draft Prospectus.

OUR PROMOTER GROUP

Apart from our Promoters, as per Regulation 2(1)(zb) of the SEBI (ICDR) Regulation, 2009, the following individuals and entities shall form part of our Promoter Group:

1. **Natural Persons who are Part of the Promoter Group**

Relationship with Core Promoter	Core Promoters	
	Rasik Mangukiya	Ramesh Mangukiya
Mother	Jivi Mangukiya	Jivi Mangukiya
Wife	Vilas Mangukiya	Divya Mangukiya
Brother	Ramesh Mangukiya	Rasik Mangukiya
Sisters	Kailash Kukadia and Rekha Jadvani	Kailash Kukadia and Rekha Jadvani
Sons	Kush Mangukiya and Raj Mangukiya	Om Mangukiya and Jai Mangukiya
Wife's Father	Manji Lathia	Manu Balar
Wife's Mother	Savita Lathia	Kanta Balar
Wife's Brother	Ashok Lathia and Haresh Lathia	Jayesh Balar and Haresh Balar

2. **Other Individuals who are part of the Promoter Group:** None

3. **Corporate Entities or Firms forming part of the Promoter Group**

Proprietorship Firms:

a) M/s Natural Arts

Companies:

a) M/s Perrian Lifestyle Private Limited

b) M/s Perry Creation Private Limited

c) M/s Perry Impex (USA) Inc.

<u>Details of our Promoter Group Entities</u>

Unless otherwise stated, none of the entities forming part of the Promoter Group had remained defunct during the five years preceding the date of this Draft Prospectus or is a sick company under the meaning of SICA and none of them are under winding up. Further, all the Group Companies are unlisted companies and they have not made any Public Issue of securities (including rights) in the preceding three years. The information provided in this chapter is as on the date of this Draft Prospectus.

M/s Natural Arts

M/s Natural Arts is a sole proprietorship firm formed by Mr. Ramesh Mangukiya. It is involved in the business of manufacturing of fabric for sarees. Natural Arts has a Turnover of ₹87.13 lakhs and a net profit of Rs. 3.27 lakhs.

For details regarding M/s Perrian Lifestyle Private Limited, M/s Perry Creation Private Limited, M/s Perry Impex (USA) Inc., please see the chapter titled "Our Subsidiaries" beginning on page 95 of this Draft Prospectus.

Nature and extent of the interest of the Promoter Group Entities in our Company

(a) In the promotion of our Company

None of the Promoter Group Entities have any interest in the promotion of our Company, except to the extent of their shareholding in our Company, if any. For further details regarding the shareholding of our Promoter Group Entities in our company, please see the chapter titled "*Capital Structure*" beginning on page 43 of this Draft Prospectus.

(b) In the properties acquired by our Company within the two years of the date of filing the Draft Prospectus or proposed to be acquired by our Company

None of the Promoter Group Entities have any interest in the properties acquired by our Company within the two years of the date of filing the Draft Prospectus or proposed to be acquired by our Company.

(c) In transactions for acquisition of land, construction of building and supply of machinery

None of the Promoter Group Entities have any interest in our Company in relation to transactions for acquisition of land, construction of building and supply of machinery.

(d) Payment of amount or benefits to our Promoter Group Entities during the last two years

Except as disclosed in the "*Annexure XVII – Statement of Related Party Transactions*" on page 150 of the Draft Prospectus, no amount or benefits were paid or were intended to be paid to our Promoter Group Entities since the incorporation of our Company.

Sale / purchase between Promoter Group Entities (exceeding 10% in aggregate of the total sales or purchases of our Company)

For details, please see "*Annexure XVII – Statement of Related Party Transactions*" on page 150 this Draft Prospectus.

Business interest of Promoter Group Entities in our Company

For details, please see "*Annexure XVII – Statement of Related Party Transactions*" on page 150 of this Draft Prospectus.

Related business transactions within the Group Companies and its significance on the financial performance of our Company

For details, please see "*Annexure XVII – Statement of Related Party Transactions*" on page 150 of this Draft Prospectus.

Common pursuits between the Promoter Group Entities and our Company

None of our Promoter Group Entities have any common pursuits. We shall adopt the necessary procedure and practices as permitted by law to address any conflicting situations, as and when they may arise. Further, except as disclosed in this chapter, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by us.

Defunct Promoter Group Entities

None of the Promoter Group Entities are defunct and no application has been made to the Registrar of Companies for striking off the name of any of the Promoter Group Entities during the five years preceding the date of this Draft Prospectus.

Outstanding Litigation

For details relating to the material legal proceedings involving our Promoter Group Entities, please see the chapter titled "*Outstanding Litigation and Material Developments*" on page 169 of this Draft Prospectus.

Other Confirmations

Our Promoter Group Entities have further confirmed that they have not been declared as wilful defaulters by the RBI or any other governmental authority and there have been 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 our Promoter Group Entities have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

CURRENCY OF PRESENTATION

In this Draft Prospectus, unless the context otherwise requires, all references to the word “Lakh” or “Lac”, means “One hundred thousand” and the word “million” means “Ten lakhs” and the word “Crore” means “ten million” and the word “billion” means “One thousand million” and the word “trillion” means “One thousand billion”. Throughout this Draft Prospectus, all the figures have been expressed in lakhs of Rupees, except when stated otherwise.

In this Draft Prospectus, all references to “Rupees” and “Rs.” and “Indian Rupees” and ₹” ar e to the legal currency of the Republic of India; all references to “U.S. Dollars” and “US$” and “USD” are to legal currency of the United States; all references to “Singapore Dollars” and “SG$” and “SGD” are to legal currency of Singapore.

In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by our Board 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, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. Further, pursuant to the terms of the term loans obtained by our Company, prior written consent of the lenders of our Company is required to pay any dividends. The Board may also from time to time pay interim dividend. All dividend payments are made in cash to the shareholders of our Company.

Our Company has declared dividend in the financial year ended March 2014, 2013 and 2012 details of which are as below:

(₹ in lakhs)

Particular	For the year ended on March 31,		
	2014	2013	2012
On Equity Shares			
Fully Paid up Share Capital	850.00	700.00	700.00
Face Value (₹)	10.00	10.00	10.00
Paid up Value per Share (₹)	10.00	10.00	10.00
Rate of Dividend	10%	7.5%	5.00%
Dividend Amount	85.00	52.50	35.00
Corporate dividend tax on above @ 16.995%	14.45	8.52	5.41

Our dividend payments and policy in the past is not necessarily indicative of our dividend policy or dividend amounts in the future.

SECTION VI - FINANCIAL INFORMATION

FINANCIAL STATEMENT OF OUR COMPANY

REPORT OF THE INDEPENDENT AUDITORS ON CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors,
Perry Impex Limited
1001, 10th Floor, Prasad Chamber
Opera House, Mumbai – 400 004

Dear Sirs,

Re: Proposed Public Issue of Equity Shares of Perry Impex Limited (PIL)

We have examined the Financial Information of **PERRY IMPEX LIMITED** [hereinafter referred to as '**the Company**'] contained in the statements annexed to this report, which have been approved by the Board of Directors, proposed to be included in the Draft Prospectus in connection with its proposed Initial Public Offer of Equity Shares at ₹ 10/- each at a premium of ₹ 45/- each (referred to as the "**Issue**") under the Fixed Price Issue Method.

In terms of the requirement of:

a. Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 (the "Act") read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules ('the Rules'), 2014;

b. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, issued by SEBI on August 26, 2009, in pursuance of Section 11 A (1) (a) of Securities and Exchange Board of India Act (SEBI), 1992, 'SEBI (ICDR) Regulations';

Financial Information as per consolidated audited financial Statements:

a. We have examined the accompanied 'Statement of Adjusted Profits and Losses' **(Annexure – II)** for the period ended 30th September, 2014 and for the year ended on 31st March 2014 and the 'Statement of Adjusted Assets and Liabilities' **(Annexure – I)** as on those dates, forming Part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts **(Annexure – IV & V)** thereon, which are the responsibility of the Company's management. The information have been extracted from the consolidated financial statements for the financial year ended 31st March 2014 audited by M/s S. K. Motani & Co., Chartered Accountant, being the Statutory Auditors of the Company for that year and from the six months period ended September 30, 2014 audited by us, being the Statutory auditors of the Company, and is re-audited by us for the financial year ended 31st March 2014, approved by the Board of Directors and adopted by the Members in those respective financial years. We did not carry out any validation tests or review procedures of financial statements for aforesaid financial year audited by M/s S. K. Motani & Co., Chartered Accountants and upon which we have placed our reliance while reporting.

b. Based on the above (a) and also as per the reliance made on the reports submitted by the statutory auditor of the company for the respective years, we report as under:-

   (i) The statement of Assets and Liabilities, and the Profits and Losses Account of the Company as at the end of the period ended 30th September 2014 and at the end of the financial year ended on 31st March 2014, reflects the assets and liabilities and profits and losses extracted from the consolidated Balance Sheets and Profit and Loss Accounts for the period ended 30th September 2014 audited by us and for the financial year ended 31st March 2014 audited by M/s S. K. Motani & Co., Chartered Accountants being the Statutory auditors of the Company for that year, and is re-audited by us for the financial year ended 31st March 2014, after making such adjustments, regrouping and disclosures as were, in our opinion, appropriate and required to be made in accordance with Clause (b) of paragraph 6.10.2.7 of "the SEBI (ICDR) Regulations."

   (ii) In our opinion, read with the respective Significant Accounting Policies and subject to/read together with the notes thereon and after making such adjustments, regroupings and disclosures as were, in our opinion, appropriate and required, the financial information referred to above and the other Financial Information herein below, have been prepared in accordance with Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 (the "Act") read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules ('the Rules'), 2014 and the SEBI (ICDR) Regulations.

Other Financial Information:

We have also examined the following other financial information relating to the Company proposed to be included in the Draft Prospectus, and annexed to this report:

i) Statement of the Consolidated Cash Flow of the Company (Annexure – III)
ii) Schedule of Investments (Annexure – VI)
iii) Statement of Non – Current Assets (Annexure – VII)
iv) Schedule of Inventories (Annexure – VIII)
v) Statement of Trade Receivables and Loans & Advances (Annexure – IX & X)
vi) Details of Long Term & Short Term Borrowings of the Company (Annexure – XI & XII)
vii) Schedule of Short Term Provisions (Annexure –XIII)
viii) Schedule of Other Liabilities (Annexure – XIV)
ix) Schedule of Revenue from Operations (Annexure – XV)
x) Schedule of Other Income (Annexure – XVI)
xi) Schedule of Related Party Transactions (Annexure – XVII)
xii) Capitalization Statement (Annexure – XVIII)
xiii) Schedule of Contingent Liability (Annexure – XIX)
xiv) Schedule of Dividend Paid (Annexure – XX)
xv) Summary of Accounting Ratios (Annexure – XXI)
xvi) Statement of Tax Shelter (Annexure – XXII)
xvii) Statement of Segment Reporting (Annexure – XXIII)

This report should not in any way be construed to be a re-issuance or re-dating of any of the previous audit reports issued by the other firm of Chartered Accountants, nor should it be construed to be a new opinion on any of the financial statements referred to herein.

Our this report, is being provided solely for the use of Perry Impex Limited, for the purpose of its inclusion in the said Draft Prospectus in connection with the proposed Initial Public Offer of the Equity Shares of the Company.

For M/s. Ravi Seth & Co.,
Chartered Accountants
(Firm Registration No. 108757W)

Ravi Seth
Proprietor
Membership No: 016808

Place: Mumbai
Date: March 18, 2015

Annexure I

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	As on Sept 30, 2014	As on March 31, 2014
EQUITY AND LIABILITIES		
Shareholder's Funds		
a) Share Capital	850.00	850.00
b) Reserves and surplus	3,485.13	3,037.36
	4,335.13	**3,887.36**
Non-current Liabilities		
a) Long Term borrowings	2,357.65	2,274.31
b) Deferred Tax Liabilities (Net)	21.84	0.68
c) Other Long Term liabilities	0.00	1.00
	2,379.49	**2,275.99**
Current Liabilities		
a) Short-Term Borrowings	6,136.63	5,768.01
b) Trade Payables	15,643.05	9,278.22
c) Other Current Liabilities	119.98	804.98
d) Short-Term Provisions	399.69	436.89
	22,299.35	**16,288.10**
TOTAL	**29,013.96**	**22,451.46**
ASSETS		
Non - Current Assets		
a) Fixed Assets		
i.) Tangible Assets	1,809.33	1,665.62
ii.) Intangible Assets	4.62	5.90
iii.) Capital Work in Progress	205.82	251.79
b) Non Current Investments	76.12	76.12
c) Long-Term Loans and Advances	15.79	92.26
d) Other Non-Current Assets	4.93	198.17
	2,116.61	**2,289.85**
Current Assets		
a) Inventories	7,589.12	5,664.37
b) Trade Receivables	18,129.48	12,834.65
c) Cash and Bank Balance	786.38	665.91
d) Short-Term Loans and Advances	392.37	996.67
e) Other Current Assets	0.00	0.00
	26,897.35	**20,161.60**
TOTAL	**29,013.96**	**22,451.46**

Annexure II
STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
REVENUE:		
Revenue from Operations	22,433.87	42,935.26
Other Income	189.58	208.87
Total revenue	**22,623.45**	**43,144.13**
EXPENSES:		
Cost of materials consumed	21,025.93	42,145.66
Changes in inventories of finished goods , work -in - progress and stock - in trade	64.30	(1,917.48)
Employee benefits expense	106.89	129.08
Finance cost	434.26	691.97
Depreciation and amortization expense	27.17	228.42
Other expenses	212.88	635.45
Total expenses	**21,871.43**	**41,913.10**
Net Profit / (Loss) before Tax	**752.02**	**1,231.03**
Less: Provision for Tax		
Current tax as per income tax	238.97	320.00
Deferred tax	21.16	(21.30)
(Excess) / Deficit in Provisions	0.00	(0.05)
Prior period Item Expenses / (Income)	0.00	0.00
Total	**260.13**	**298.66**
Net Profit / (Loss) for the period after tax but before extra ordinary items	**491.89**	**932.37**
Extraordinary Items	3.06	
Net Profit / (Loss) for the period before Minority Interest	**488.83**	**932.37**
Minority Interest	0.57	4.85
Net Profit / (Loss) for the period after Minority Interest	**489.40**	**937.22**
Less : Proposed Dividend	0.00	85.00
Dividend Distribution Tax	0.00	14.45
Net Profit transferred to Reserves	**489.40**	**837.77**

Annexure III
CONSOLIDATED CASH FLOW STATEMENT, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Cash Flow From Operating Activities		
Net Profit Before Tax	752.02	1,231.03
Adjustments for :		
Depreciation/Amortisation	27.17	228.42
Dividend Received	0.00	0.00
Interest Received	22.51	46.71
Fixed assets written off & Others	0.00	0.00
Interest Paid	434.26	698.11
Other Provisions Adjusted	70.35	1.06
Operating Profit Before Working Capital Adjustment	1,261.29	2,111.91
Adjustment for Changes in Working Capital		
Trade and other payable	6,364.83	(5,901.61)
Inventories	(1,924.74)	(3,201.66)
Trade and other Receivables	(5,294.83)	4,762.15
Short Term Loans & Advances	604.30	(811.05)
Other Current Assets	0.00	0.00
Other Current Liabilities	(685.00)	684.21
Foreign Currency Translation Reserve Adjustment	(41.64)	
Cash Flow Generated from Operations	**284.21**	**(2,356.05)**
Income Tax and Fringe Benefit Tax Paid	246.46	213.84
Net Cash flow from Operating activities (A)	**37.75**	**(2,569.89)**
Cash Flow From Investing Activities		
(Purchase)/Sale of Fixed Assets (including WIP)	(126.71)	(1,019.23)
Purchase of Investments	0.00	0.00
Other Non-Current Assets	193.23	162.26
Long Term Loans & Advances	76.47	58.87
Other Long Term Liabilities	(1.00)	(1.80)
Dividend Received	0.00	0.00
Interest Received	22.51	46.71
Net Cash Flow from Investing Activities (B)	**164.50**	**(753.18)**
Cash Flow From Financing Activities		
Proceeds from/ (Repayment of) Borrowing	451.95	4,018.18
Proceeds from Share Capital (including Share Premium)	0.00	538.65
Interest Paid	(434.26)	(698.11)
Dividend paid incl. DDT	(99.45)	(61.02)
Net Cash Flow From Financing Activities (C)	**(81.75)**	**3,797.70**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)	**120.50**	**474.63**
Cash & Cash equivalent at the beginning of the year	665.91	191.27
Cash & Cash Equivalent at the end of the year	**786.38**	**665.91**

Annexure IV

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Consolidated Financial Statements

a. Financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles and the provisions of the Companies Act, 2013.

b. The Company follows the mercantile system of accounting on a going concern basis.

c. The names of the Companies which are included in consolidation and the Parent Company's holding therein:

Sr. No.	Name of the Company	Percentage of Holding	
		For period ended Sept 30, 2014	For year ended March 31, 2014
1.	Perrian Lifestyle Pvt. Ltd.	100%	100%
2.	Perry Creation Pvt. Ltd.	51%	51%
3.	Perry Impex (USA) Inc.	100%	N. A.

d. The Consolidated Financial statements of the Company and its subsidiary companies have been consolidated on a line-to-line basis by adding together the book value of like items, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits / losses

e. Minority interest's share of the net profit / (loss) for the period / year of consolidated subsidiaries is identified and adjusted against the profit of the group.

f. Minority interest in the net assets of consolidated subsidiaries consist of:
   i. The amount of equity attributable to minority at the date on which the investment in a subsidiary is made; and
   ii. The minority share of movements in equity since the date parent subsidiary relationship came into existence.

B. Use of Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent assets and liabilities as at the date of financial statements are reported amounts of incomes and expenses during the period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the period in which the results are known / materialized.

C. Fixed Assets, including Intangible Assets and Capital Work in Progress

a) Fixed Assets are stated at cost, net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

b) Intangible Assets, if any, are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment losses, if any.

c) Capital Work-In-Progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

D. Depreciation and Amortization

Depreciation on fixed assets is provided to the extent of depreciation amount on written down value methods (WDV) at the rates and in the manner prescribed under the Schedule XIV to the Companies Act, 1956 over the useful life on a pro-rata basis. Due to change in law, from April, 2014 Depreciation has been provided in the manner as prescribed under the Schedule II to the Companies Act, 2013.

E. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

a) Revenue from operations includes sale of products / services, service tax, and sales during trial run.

b) Revenue from services is recognized on rendering of services to customer, Dividend income is recognized when received and Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

c) Based on the forward contract outstanding as at 30.09.2014, premium received on such contract are recognized as income to the extent of the life of the contract pertaining to the current financial year.

F. Government Grants and Subsidies

Grants and subsidies from government, if any, are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grant/subsidy will be received.

G. Inventories

a) Raw materials are generally valued at cost determined on specific cost basis. For Inventories other than diamonds, FIFO method of valuation is adopted. For diamonds the same are valued on specific lot basis.

b) Rough rejection Diamonds, if any, are valued at estimated net realisable value.

c) Process stock, if any, is valued at direct cost.

d) Finished goods are valued at cost or net realisable value whichever is lower.

e) Appropriate reduction is made for slow moving and obsolete stock.

H. Foreign Currency Transactions

a) Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of the transaction.

b) Monetary items denominated in foreign currencies at the year-end are translated at the exchange rates prevailing on the date of the balance sheet. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and premium paid on forward contracts is recognized over the life of the contracts.

c) Any income or expense on account of exchange difference whether on settlement or on translation of transactions other than those in relation to fixed assets is recognized in the statement of profit and loss.

I. Investment

Investments are classified into long-term investments and short-term investments. Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long Term Investments & Short Term Investments, if any, are carried at cost. Provisions for diminution in the Long Term Investment are made only at the time of its disposal.

J. Impairment of Assets

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment thereof based on external/ internal factors. An impairment loss in accordance with Accounting

Standard-28 “Impairment of Assets “ is recognized wherever the carrying amount of an assets exceeds its recoverable amount, which represent the greater of the net selling price of assets and their value in use.

K. Retirement and other Employee Benefits

a) Short-term employee benefits are recognized as expenses at the undiscounted amount in the profit and loss account for the year in which the employee has rendered services. The expenses are recognized at the present value.

b) Company is not five years old hence provision of Gratuity is not Applicable. Since company has taken over running business of Partnership firm M/s. Perry Impex and Employees' of the firm are continued as employee of erstwhile company and that shall arise gratuity liability and same is not accounted for the year under consideration. Management is of the opinion that the same will be recorded on the payment basis

L. Segment Reporting

The company operates only in one reportable business segment i.e. diamonds. Hence there are no reportable segments under Accounting Standard -17. No separate geographical disclosures are required.

M. Borrowing cost

a) Borrowing cost that is attributable to the acquisition, construction of fixed assets is capitalized as part of the cost of the respective assets.

b) Other borrowing costs are recognized as expenses in the year in which they arise.

c) Director in tandem with of the Company has borrowed fund from Financial Institute and interest there upon is paid by Company under contractual obligation since it is explained to us that amount borrowed has been used for the Company.

N. Taxation

a) Income Tax is accounted for in accordance with Accounting Standards on 'Accounting for taxes on Income' notified under the Companies (Accounting Standards) Rules, 2006.

b) Minimum Alternate Tax (MAT) is accounted for in accordance with tax laws which give rise to future economic benefits in the form of tax credit against which future tax liability will be adjusted and hence is recognized as an asset in the Balance Sheet.

c) Deferred tax is recognized on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

O. Provisions, Contingent Liabilities and Contingent Assets:

a) Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

b) A disclosure on contingent liability is made when there is a possible obligation or present obligation that probably will not require an out flow of resources or where reliable estimate of the amount of the obligation cannot be made. However contingent assets are neither provided for nor disclosed.

P. Earnings Per Share

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

Q. There are no Auditor’s Qualifications in the Financial Statements of the Company.

Annexure V
NOTES TO ACCOUNTS

1. Managerial Remuneration

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Whole Time Directors Remuneration		
Salaries and Allowances	43.00	75.00
Other Fees	0.25	0.00
Sitting Fees	0.00	0.00
Non Whole Time Directors Remuneration		
Sitting Fees	0.00	0.00

2. Deferred Tax

Deferred Tax liability on account of timing difference between taxable income and accounting income for the year is accounted for by applying the tax rates and laws enacted or substantially enacted as of the balance sheet date. Deferred Tax Assets are recognized only to the extent of virtual certainty of its realization or adjustment against deferred tax liability.

The company has accounted for Income Tax in compliance with the accounting standards relating "Accounting' for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India.

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Deferred tax (liabilities):		
Timing difference in Depreciation	0.68	21.97
Add: during the year	21.16	0.68
Total (a)	21.83	22.65
Deferred tax (assets):		
Timing difference in Depreciation	0.00	(21.97)
Total (b)	0.00	(21.97)
TOTAL (a+b)	21.83	0.68

3. Remuneration to Statutory Auditors:

(₹in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
As Auditor	3.10	3.79
For Taxation Matters	0.00	1.40
Other Matters	1.12	1.12
Total	**4.22**	**6.32**

4. The Company has not received any intimation from suppliers regarding their status under micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the yearend together with interest payable as required under the said Act have not been furnished.

5. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.

6. Accounting for taxes on income

Provision for current tax is made based on the tax payable under the current provisions of the tax laws applicable in the jurisdiction where the income is assessable.

7. **Contingent Liability**

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprises, or is a possible obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

8. **Earnings Per share**

Basic & Diluted Earnings per Share is calculated on Weighted Average number of Equity shares during the year.

9. Previous year figures have been re-grouped and reclassified wherever necessary to confirm to the current year classification.

10. **Information regarding Foreign Exchange earnings and expenditure**:

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Earning in Foreign Exchange	22,966.87	39,813.63
Expenditure in Foreign Exchange	8,579.20	25,034.70

ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES

Regrouping done in Profit & Loss Account that affect the Net Profit after Tax

F. Y. 2013-14

Deferred Tax Asset amounting to ₹ 21.97 lakhs and Excess Provision for Income Tax amounting to ₹ 0.05 lakhs was added to the Profit & Loss balance under the head of Reserves & Surplus. The same has been shown under their respective heads on the face of the P&L.

Period ended Sept 30, 2014

Fixed Assets Written-off (due to change in law) amounting to ₹ 3.06 lakhs was deducted from the Profit & Loss balance under the head of Reserves & Surplus. The same has been shown as Extra-ordinary item and deducted on the face of the P&L.

Multiple Years

In the F.Y. ending 2014 and the period ended Sept 30, 2014, Prior period expenses pertaining to each year has been re-adjusted against its respective year of accrual.

Minority Interest amounting to₹ 4.85 lakhs and ₹ 0.57 lakhs for the year ended March 31, 2014 and for the period ended September 30, 2014 was deducted from Profit & Loss balance under the head Reserves & Surplus. The same has been shown under on the face of the P&L.

The above mentioned changes to Profit after Tax are summarised in the table below:

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Profit after Tax as per Audited Financials	**491.89**	**927.85**
Changes made in Restated Financials		
Prior Period Expenses (Actual Accrual)	0.00	(16.83)
Extra-Ordinary Item included in P&L	(3.06)	0.00
Deferred Tax Asset / (Liability) Not Considered	0.00	21.30

Excess Provision of Income Tax not considered	0.00	0.05
Minority Interest	0.57	4.85
Profit after Tax as per Restated Financials	**489.40**	**937.22**

Other Regrouping done in Profit & Loss Account (that do not affect PAT)

Multiple Years

Proposed Dividend and Dividend Distribution Tax for the F. Y. 2013-14 were adjusted from the Profit & Loss balance under Reserves and Surplus in the Balance Sheet. However, the same has been shown as an appropriation expense on the face on the P&L A/c

Annexure VI
STATEMENT OF INVESTMENTS, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Investment in Quoted Equity Shares		
Karnataka Bank (204 shares)	0.20	0.20
Investment in Un-Quoted Equity Shares		
Saraswat Co-operative bank (2,500 shares)	0.25	0.25
Panchsheel Merc Co op Bank (6,695 shares)	0.67	0.67
Investments in Mutual Funds		
Union KBC Capital Protection fund (7,49,990 shares)	75.00	75.00
Investments in Subsidiary Companies		
Total	**76.12**	**76.12**

Annexure VII
STATEMENT OF NON-CURRENT ASSETS, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
FD with bank	0.00	193.80
Minority Interest	4.93	4.36
Total	**4.93**	**198.16**

Annexure VIII
STATEMENT OF INVENTORIES, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Raw Materials	5,000.86	3,011.82
Finished Goods	2,588.25	2,652.55
Total	**7,589.11**	**5,664.37**

Annexure IX
STATEMENT OF TRADE RECEIVABLES, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Outstanding for a period exceeding six months		
Considered Good		
From Promoter / Promoter Group	0.00	0.00
From Others	1,365.73	965.45
Sub - Total (A)	**1,365.73**	**965.45**

Outstanding for a period not exceeding six months		
Considered Good		
From Promoter / Promoter Group	0.00	0.00
From Others	16,763.75	11,869.20
Sub - Total (B)	**16,763.75**	**11,869.20**
Total (A+B)	**18,129.48**	**12,834.65**

Annexure X
STATEMENT OF LOANS AND ADVANCES, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Long Term Loans & Advances		
Deposits	14.46	22.80
Other Loans and Advances	1.33	6.66
MAT Credit	0.00	62.80
TOTAL	**15.79**	**92.26**
Short Term Loans & Advances		
Advance tax Paid	90.00	179.00
Tax deducted at sources	2.25	4.67
Prepaid expenses	95.01	70.01
Other Loans and Advances	177.93	715.65
Deposits	26.96	27.33
Advance Salary	0.21	
TOTAL	**392.36**	**996.66**

Annexure XI
STATEMENT OF LONG TERM BORROWINGS, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Term Loans		
Loan from Bank	1,121.05	1,042.86
Loan Financial Institutes	17.44	11.61
Other Loans		
Loan From Directors	1,219.16	1,219.84
Total (A)	**2,357.65**	**2,274.31**

Annexure XII
STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Secured		
Loans from Banks	5,993.69	5,476.85
Loan from Bank	123.02	251.34
Loan from Financial Institutes	19.91	39.83
Total (a)	**6,136.63**	**5,768.01**

The above amounts in Annexure XI and XII include:

(₹ in lakhs)

Secured Borrowings	7,275.13	6,822.49
Unsecured Borrowings	1,219.15	1219.83
Total	**8,494.28**	**8,042.32**

Note: For details of the Terms of Sanction, Maturity and other details of Secured Loans please see the Schedule I - "*Financial Indebtedness*" attached along with this Restated Financials.

Annexure XIII
STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Provision for Employee Benefits		
Salary & Reimbursements	7.64	7.08
Wages Payable	82.18	25.45
Others		
Tax Deducted at Sources	2.98	9.36
Income Tax Payable	282.39	289.88
Proposed Dividend	0.00	85.00
Dividend Distribution Tax (on proposed dividend)	14.45	14.45
Audit Fees Payable	9.60	5.67
Other Duties & Taxes	0.11	0.00
Other Provisions	0.34	0.00
Total	**399.69**	**436.89**

Annexure XIV
STATEMENT OF OTHER LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Other Non-Current Liabilities		
Rent Deposits	0.00	1.00
Total	**0.00**	**1.00**
Other Current Liabilities		
Other payable(1)	119.49	804.98
Total	**119.49**	**804.98**

(1) The above amounts include the prior period expenses which have been classified to its correct year as per the SEBI (ICDR) Regulations.

Annexure XV
STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Sale of Products		
Export of cut & Polished Diamonds	22,242.13	39,813.63
Local Sales rough diamond & cut and Polished diamond	110.54	3,044.50
Sale of Local Sarees	36.24	22.47
Local Sale of Jewellery	38.89	44.74
Sale of Electricity generated by windmill	6.07	9.92
Total	**22,433.87**	**42,935.26**

Annexure XVI
STATEMENT OF OTHER INCOME, AS RESTATED

(₹ in Lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Net Profit Before Tax and Extraordinary Items	776.84	1,259.33
20% of Net Profit Before Tax	155.37	251.87
Other Income Details		

Recurring Other Income		
Interest on FD & Facility	22.51	46.71
Rent Income	0.00	6.86
Gain on Forward Contract	0.18	50.99
Dollar Incentive account	0.05	0.17
Freight Rebate	0.13	2.21
Premium on Forward contract	163.71	15.28
Labour Income	2.40	7.16
Certification Charges	0.15	0.43
Discounts Received	0.45	1.08
Non – Recurring Other Income		
Interest Subvention	0.00	48.76
Exchange diff on FDBD	0.00	26.58
Profit on Derivatives	0.00	0.81
Prior Period income #	0.00	1.70
Net gain / loss on foreign currency transaction and translation	0.00	0.00
Insurance claim	0.00	0.12
Total	**189.58**	**208.87**

Annexure XVII
STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

(i) Key Managerial Personnel & Relatives

For the period ended Sept 30, 2014	For the year ended March 31, 2014
Rasik Mangukiya	Rasik Mangukiya
Ramesh Mangukiya	Ramesh Mangukiya
Pravin Mangukiya	Pravin Mangukiya
Satish Mangukiya	-
Darshit Parikh	-

(ii) Relatives of KMPs

For the period ended Sept 30, 2014	For the year ended March 31, 2014
-	Pravin Mangukiya

(iii) Associates / Enterprises over which directors and / or their relatives has significant influence

For the period ended Sept 30, 2014	For the year ended March 31, 2014
-	-

(iv) Particulars of Transactions with Related Parties

Key Management Personnel & Relatives

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
1) Finance		
Loan Taken	0.00	1,252.35
Repayment of Loan taken	1.88	50.00
Investment in Equity	0.00	538.65
2) Expenses		
Remuneration	51.71	83.16

3) Out standing		
Receivables	0.00	0.00
Payables	1,219.16	1,219.84

Relatives of KMPs

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2014	For the year ended March 31, 2014
1) Finance		
Loan Taken	0.00	0.00
Repayment of Loan Taken	0.00	55.00
2) Out standing		
Receivables	0.00	0.00
Payables	0.00	0.00

Annexure XVIII
STATEMENT OF CAPITALIZATION

(₹ in lakhs)

Particular	Pre Issue (as at Sept 30, 2014)	Post Issue
Debt		
Long Term Debt	2,357.65	2,357.65
Short Term Debt	6,136.63	6,136.63
Total Debts (A)	**8,494.28**	**8,494.28**
Equity (Shareholder's funds)		
Equity share capital	850.00	1,160.00
Reserve and Surplus	3,814.10	5,209.10
Total Equity (B)	**4,664.10**	**6,369.10**
Long Term Debt / Equity Shareholder's funds	**0.51 : 1**	**0.37: 1**
Total Debts / Equity Shareholder's funds	**1.82 : 1**	**1.33 : 1**

Note:
1. The above has been computed on the basis of Restated Financials of the Company.

Annexure XIX
STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED

(₹ in lakhs)

Particular	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Guarantees	2,174.00	2,174.00
Total	**2,174.00**	**2,174.00**

Annexure XX
STATEMENT OF DIVIDEND DECLARED, AS RESTATED

(₹ in lakhs)

Particular	For the period ended Sept 30, 2014	For the year ended March 31, 2014
On Equity Shares		
Fully Paid up Share Capital	850.00	850.00
Face Value (₹)	10.00	10.00
Paid up Value per Share (₹)	10.00	10.00
Rate of Dividend	-	10%
Dividend Amount	0.00	85.00
Corporate dividend tax on above @ 16.995%	0.00	14.45

Annexure XXI
STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

(₹ in Lakhs)

Particular	For the period ended Sept 30, 2014[(1)]	For the year ended March 31, 2014
Restated PAT as per P & L Account	489.40	937.22
Actual Number of Equity Shares outstanding at the end of the year	85,00,000	85,00,000
Equivalent Weighted Average number of Equity Shares at the end of the year	85,00,000	72,79,452
Net Worth[(2)]	4,335.12	3,887.36
Earnings Per Share:		
Basic & Diluted[(3)]	5.76	12.87
Return on Net Worth (%)	11.29%	24.11%
Net Asset Value Per Share (₹.) - based on actual no. of equity shares at the end of the year	51.00	45.73
Nominal Value per Equity share (₹)	10.00	10.00

(1) Not annualised
(2) There is no revaluation reserve in last five years of the Company. Net Worth is Equity Share Capital + Reserves and Surplus – Preliminary expenses not written off.
(3) As there is no dilutive capital in the company, Basic and Diluted EPS are same.

Notes to Accounting Ratios:

a. The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & V respectively.
b. Formulas used for calculating above ratios are as under:
   i. Basic EPS is being calculated by using the formula: Net Profit after excluding Extra-ordinary items / Weighted Average No. of outstanding shares.
   ii. Basic EPS (Including bonus Effect) is being calculated by using the formula: Net Profit after excluding Extra-ordinary items / Weighted Average No. of outstanding shares including bonus effect.
   iii. Net Asset Value is being calculated by using the formula: (Equity Share Capital + Reserves and Surplus – Preliminary Expenses not written off)/Number of Equity Shares at year end.
   iv. Return on Net worth is being calculated by using the formula: Profit After Tax/(Equity Share Capital +Reserves and Surplus – Preliminary Expenses not written off).
   v. Net Tangible Assets comprises Net Fixed Assets and Net Working Capital.

Annexure XXII
STATEMENT OF TAX SHELTER

(₹ in Lakhs)

Particular	For the period ended Sept 30, 2014	For the year ended March 31, 2014
Normal Corporate tax rates (%)	30.90%	30.90%
Minimum alternative tax rates	18.50%	18.50%
Profit before tax as per Restated P/L	752.02	1,228.33
Exempt Income 10A	76.12	466.57
Taxable income	675.91	761.66
Applicable Corporate tax Rate	30.90%	30.90%
Notional tax as per tax rate on profits (A)	**208.85**	**235.35**
Tax Adjustment		
Permanent Difference		
Donation & Other Expenses	5.38	12.72
Income Tax, FBT & Provision for Income Tax		
35AC	0.00	0.00
U/s. 40(a) (ia)	0.00	0.56

Provision for Gratuity	0.00	0.00
Profit on Sale of Fixed Assets	0.00	0.00
Loss on Sale of Fixed Assets	0.00	0.00
Total Permanent Difference (B)	**5.38**	**13.28**
Timing Difference		
Depreciation	(62.25)	97.34
Exp. Disallowed u/s. 43B	0.00	0.00
Un Paid Professional Tax	0.00	0.00
Un Paid Bonus	0.00	0.00
U/s. 36(1) (VA) & 43B	0.00	0.00
Total Timing Difference (C)	**(62.25)**	**97.34**
Business Losses not set off in past years (D)	**0.00**	**0.00**
Total Adjustment (E) = (B+C+D)	(56.87)	110.62
Tax Expenses / (Saving) thereon (F) = (E)* Tax rate	(17.57)	34.18
Tax payable as per normal provisions (other than 115JB) of the Act (G)	185.71	269.54
MAT tax rate (H)	18.50%	18.50%
Tax under MAT (I)	139.12	227.22
Tax payable for the year maximum of (G) or (I)	**185.71**	**269.54**

Notes:

1. The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Profit and Loss Account'

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

There has been no change in the Accounting Policies in the last three (3) years.

CHANGE IN ACCOUNTING PERIOD

There has been no change in the accounting period of the Company.

SALE OR PURCHASE BETWEEN OUR COMPANY AND GROUP COMPANIES

There have been no transactions of sale or purchase during the FY 2013 – 2014 between our Company and the Group Companies exceeding 10% of our total sale or purchases.

REPORT OF THE INDEPENDENT AUDITORS ON STANDALONE FINANCIAL STATEMENTS

The Board of Directors,
Perry Impex Limited
1001, 10th Floor, Prasad Chamber
Opera House, Mumbai – 400 004

Dear Sirs,

Re: Proposed Public Issue of Equity Shares of Perry Impex Limited (PIL)

We have examined the Financial Information of **PERRY IMPEX LIMITED** [hereinafter referred to as '**the Company**'] contained in the statements annexed to this report, which have been approved by the Board of Directors, proposed to be included in the Draft Prospectus in connection with its proposed Initial Public Offer of Equity Shares at ₹ 10/- each at a premium of ₹ 45/- each (referred to as the "**Issue**") under the Fixed Price Issue Method.

In terms of the requirement of:

c. Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 (the "Act") read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules ('the Rules'), 2014;

d. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, issued by SEBI on August 26, 2009, in pursuance of Section 11 A (1) (a) of Securities and Exchange Board of India Act (SEBI), 1992, 'SEBI (ICDR) Regulations';

Financial Information as per audited financial Statements:

c. We have examined the accompanied 'Statement of Adjusted Profits and Losses' **(Annexure – II)** for the period ended 30th September, 2014 and for the years ended on 31st March 2011, 2012, 2013 and 2014 and the 'Statement of Adjusted Assets and Liabilities' **(Annexure – I)** as on those dates, forming Part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts **(Annexure – IV & V)** thereon, which are the responsibility of the Company's management. The information have been extracted from the standalone financial statements for the financial year ended 31st March 2011, 2012, 2013 and 2014 audited by M/s S. K. Motani & Co., Chartered Accountant, being the Statutory Auditors of the Company for the respective years and from the six months period ended September 30, 2014 audited by us, being the Statutory auditors of the Company, and is re-audited by us for the financial year ended 31st March 2014, approved by the Board of Directors and adopted by the Members in those respective financial years. We did not carry out any validation tests or review procedures of financial statements for aforesaid financial year audited by M/s S. K. Motani & Co., Chartered Accountants and upon which we have placed our reliance while reporting.

d. Based on the above (a) and also as per the reliance made on the reports submitted by the statutory auditor of the company for the respective years, we report as under:-

   (iii) The statement of Assets and Liabilities, and the Profits and Losses Account of the Company as at the end of the period ended 30th September 2014 and at the end of each of the four financial years ended on 31st March 2011, 2012, 2013 and 2014, reflect the assets and liabilities and profits and losses extracted from the Standalone Balance Sheets and Profit and Loss Accounts for the period ended 30th September 2014 audited by us and for the financial years ended 31st March 2011, 2012, 2013 and 2014 audited by M/s S. K. Motani & Co., Chartered Accountants being the Statutory auditors of the Company for the respective years, and is re-audited by us for the financial year ended 31st March 2014, after making such adjustments, regrouping and disclosures as were, in our opinion, appropriate and required to be made in accordance with Clause (b) of paragraph 6.10.2.7 of "the SEBI (ICDR) Regulations."

   (iv) In our opinion, read with the respective Significant Accounting Policies and subject to/read together with the notes thereon and after making such adjustments, regroupings and disclosures as were, in our opinion, appropriate and required, the financial information referred to above and the other Financial Information herein below, have been prepared in accordance with Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 (the "Act") read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules ('the Rules'), 2014 and the SEBI (ICDR) Regulations.

Other Financial Information:

We have also examined the following other financial information relating to the Company proposed to be included in the Draft Prospectus, and annexed to this report:

xviii) Statement of the Standalone Cash Flow of the Company (Annexure – III)
xix) Schedule of Investments (Annexure – VI)
xx) Statement of Non – Current Assets (Annexure – VII)
xxi) Schedule of Inventories (Annexure – VIII)
xxii) Statement of Trade Receivables and Loans & Advances (Annexure – IX & X)
xxiii) Details of Long Term & Short Term Borrowings of the Company (Annexure – XI & XII)
xxiv) Schedule of Short Term Provisions (Annexure –XIII)
xxv) Schedule of Other Liabilities (Annexure – XIV)
xxvi) Schedule of Revenue from Operations (Annexure – XV)
xxvii) Schedule of Other Income (Annexure – XVI)
xxviii) Schedule of Related Party Transactions (Annexure – XVII)
xxix) Capitalization Statement (Annexure – XVIII)
xxx) Schedule of Contingent Liability (Annexure – XIX)
xxxi) Schedule of Dividend Paid (Annexure – XX)
xxxii) Summary of Accounting Ratios (Annexure – XXI)
xxxiii) Statement of Tax Shelter (Annexure – XXII)

This report should not in any way be construed to be a re-issuance or re-dating of any of the previous audit reports issued by the other firm of Chartered Accountants, nor should it be construed to be a new opinion on any of the financial statements referred to herein.

Our this report, is being provided solely for the use of Perry Impex Limited, for the purpose of its inclusion in the said Draft Prospectus in connection with the proposed Initial Public Offer of the Equity Shares of the Company.

For M/s. Ravi Seth & Co.,
Chartered Accountants
(Firm Registration No. 108757W)

Ravi Seth
Proprietor
Membership No: 016808

Place: Mumbai
Date: March 18, 2015

Annexure I

STATEMENT OF STANDALONE ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2014	As on March 31,			
		2014	2013	2012	2011
EQUITY AND LIABILITIES					
Shareholder's Funds					
a) Share Capital	850.00	850.00	700.00	700.00	700.00
b) Reserves and surplus	3,575.71	3,061.48	1,810.93	1,359.58	1,063.99
	4,425.71	**3,911.48**	**2,510.93**	**2,059.58**	**1,763.99**
Non-current Liabilities					
a) Long Term borrowings	2,338.96	2,256.82	141.64	116.65	643.90
b) Deferred Tax Liabilities (Net)	21.16	0.00	21.97	8.50	4.36
c) Other Long Term liabilities	0.00	1.00	2.80	1.00	1.00
	2,360.12	**2,257.82**	**166.42**	**126.16**	**649.27**
Current Liabilities					
a) Short-Term Borrowings	6,136.63	5,768.01	3,882.51	2,416.05	14,162.82
b) Trade Payables	14,748.75	9,244.69	15,179.83	1,891.03	2,459.46
c) Other Current Liabilities	119.49	804.98	120.77	141.06	38.39
d) Short-Term Provisions	398.15	436.05	291.23	192.91	63.13
	21,403.02	**16,253.73**	**19,474.34**	**4,641.04**	**16,723.80**
TOTAL	**28,188.85**	**22,423.03**	**22,151.69**	**6,826.78**	**19,137.06**
ASSETS					
Non - Current Assets					
a) Fixed Assets					
i.) Tangible Assets	1,794.59	1,651.77	925.93	99.91	89.34
ii.) Intangible Assets	4.63	5.90	0.00	0.00	0.00
iii.) Capital Work in Progress	205.82	251.78	206.55	196.50	0.00
b) Non Current Investments	80.73	77.63	76.12	247.12	280.07
c) Long-Term Loans and Advances	1.20	80.01	151.13	171.01	160.30
d) Other Non-Current Assets	0.00	193.80	355.57	966.06	13,118.42
	2,086.97	**2,260.98**	**1,715.30**	**1,680.60**	**13,648.13**
Current Assets					
a) Inventories	5,941.44	5,607.32	2,462.71	1,355.25	1,466.55
b) Trade Receivables	18,888.87	12,828.69	17,596.80	3,581.15	3,275.79
c) Cash and Bank Balance	766.42	649.95	191.27	79.06	641.16
d) Short-Term Loans and Advances	505.15	1,076.09	185.61	130.73	99.83
e) Other Current Assets	0.00	0.00	0.00	0.00	5.60
	26,101. 89	**20,162.06**	**20,436.40**	**5,146.19**	**5,488.92**
TOTAL	**28,188.85**	**22,423.03**	**22,151.69**	**6,826.78**	**19,137.06**

Annexure II
STATEMENT OF STANDALONE PROFIT AND LOSS ACCOUNT, AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
REVENUE:					
Revenue from Operations	23,083.30	42,868.05	31,335.71	28,648.69	17,587.64
Other Income	186.58	200.19	235.04	750.50	265.03
Total revenue	**23,269.88**	**43,068.24**	**31,570.75**	**29,399.19**	**17,852.67**
EXPENSES:					
Cost of materials consumed	21,666.58	42,026.51	29,892.75	28,111.97	17,555.18
Changes in inventories of finished goods , work -in - progress and stock - in trade	92.09	(1,860.61)	(37.32)	55.33	(169.14)
Employee benefits expense	88.01	112.71	132.41	57.35	8.33
Finance cost	434.09	667.23	399.49	157.72	64.86
Depreciation and amortization expense	25.26	224.85	43.67	16.40	5.08
Other expenses	187.33	638.21	277.12	540.40	104.04
Total expenses	**22,493.36**	**41,808.91**	**30,708.10**	**28,939.18**	**17,568.35**
Net Profit / (Loss) before Tax	**776.52**	**1,259.33**	**862.64**	**460.01**	**284.32**
Less: Provision for Tax					
Current tax as per income tax	238.07	320.00	90.81	119.87	55.13
Deferred tax	21.16	(21.97)	13.47	4.14	4.36
(Excess) / Deficit in Provisions	0.00	(0.05)	0.00	0.00	0.00
Prior period Item Expenses / (Income)	0.00	0.00	0.00	0.00	0.00
Total	**259.23**	**297.98**	**104.28**	**124.01**	**59.50**
Net Profit / (Loss) for the period after tax but before extra ordinary items	**517.29**	**961.35**	**758.37**	**336.00**	**224.83**
Extraordinary Items	3.06		246.00		
Net Profit / (Loss) for the period after tax and after extra ordinary items avilable for appropriation	**514.23**	**961.35**	**512.37**	**336.00**	**224.83**
Less : Proposed Dividend	0.00	85.00	52.50	35.00	0.00
Dividend Distribution Tax	0.00	14.45	8.52	5.41	0.00
Net Profit transferred to Reserves	**514.23**	**861.90**	**451.35**	**295.59**	**224.83**

Annexure III
STANDALONE CASH FLOW STATEMENT, AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2014	Financial Year Ended			
		Mar-14	Mar-13	Mar-12	Mar-11
Cash Flow From Operating Activities					
Net Profit Before Tax	776.52	1,259.33	862.64	**460.01**	284.32
Adjustments for :					
Depreciation/Amortisation	25.26	224.85	43.67	16.40	5.08
Dividend Received	0.00	0.00	0.05	**0.06**	0.00
Interest Received	22.51	46.71	68.23	**472.68**	154.35
Fixed assets written off & Others	0.00	0.00	0.00	**5.60**	2.29
Interest Paid	434.09	667.23	399.49	**157.72**	64.86
Other Provisions Adjusted	69.94	0.27	13.87	24.62	8.00
Operating Profit Before Working Capital Adjustment	1,283.62	2,104.97	1,251.39	191.61	210.20
Adjustment for Changes in Working Capital					
Trade and other payable	5,504.06	(5,935.14)	13,288.80	(568.43)	2,459.46
Inventories	(334.12)	(3,144.61)	(1,107.46)	111.30	(1,466.55)
Trade and other Receivables	(6,060.18)	4,768.11	(14,015.66)	**(305.36)**	(3,275.79)
Short Term Loans & Advances	570.93	(890.48)	(54.88)	(30.90)	(99.83)
Other Current Assets	0.00	0.00	0.00	0.00	(6.22)
Other Current Liabilities	(685.49)	684.21	(20.28)	102.67	38.39
Cash Flow Generated from Operations	**278.50**	**(2,412.95)**	**(658.09)**	**(499.11)**	**(2,140.34)**
Income Tax and Fringe Benefit Tax Paid	246.47	213.84	26.96	55.13	0.00
Net Cash flow from Operating activities (A)	**32.03**	**(2,626.79)**	**(685.05)**	**(554.24)**	**(2,140.34)**
Cash Flow From Investing Activities					
(Purchase)/Sale of Fixed Assets (including WIP)	(123.80)	(1,001.92)	(879.74)	(223.46)	(96.08)
Purchase of Investments	(3.10)	(1.51)	(75.00)	32.95	(280.07)
Other Non-Current Assets	193.80	161.77	610.49	12,152.36	(13,118.42)
Long Term Loans & Advances	78.80	71.12	19.88	(10.71)	(160.30)
Other Long Term Liabilities	(1.00)	(1.80)	1.80	0.00	1.00
Dividend Received	0.00	0.00	0.05	**0.06**	0.00
Interest Received	22.51	46.71	68.23	**472.68**	154.35
Net Cash Flow from Investing Activities (B)	**167.21**	**(725.62)**	**(254.29)**	**12,423.88**	**(13,499.52)**
Cash Flow From Financing Activities					
Proceeds from/ (Repayment of) Borrowing	450.75	4,000.69	1,491.44	(12,274.02)	14,806.72
Proceeds from Share Capital (including Share Premium)	0.00	538.65	0.00	0.00	1,539.16
Interest Paid	(434.09)	(667.23)	(399.49)	(157.72)	(64.86)
Dividend paid incl. DDT	(99.45)	(61.02)	(40.41)	0.00	0.00
Net Cash Flow From Financing Activities (C)	**(82.78)**	**3,811.09**	**1,051.55**	**(12,431.73)**	**16,281.03**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)	116.48	458.68	112.20	(562.10)	641.16

Cash & Cash equivalent at the beginning of the year	649.95	191.27	79.06	641.16	0.00
Cash & Cash Equivalent at the end of the year	766.42	649.95	191.27	79.06	641.16

Annexure IV

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

g. Financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles and the provisions of the Companies Act, 2013.

h. The Company follows the mercantile system of accounting on a going concern basis.

i. Presentation and discloser in financial statements

During the year ended March 31, 2012 the revised Schedule VI notified under the companies act 1956, had become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed by the company for preparation of financial statements. However, it has significant impact on presentation and disclosure made in financial statements. The company has also reclassified the previous year figures in accordance with the requirement applicable in current year.

B. Use of Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent assets and liabilities as at the date of financial statements are reported amounts of incomes and expenses during the period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the period in which the results are known / materialized.

C. Fixed Assets, including Intangible Assets and Capital Work in Progress

d) Fixed Assets are stated at cost, net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

e) Intangible Assets, if any, are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment losses, if any.

f) Capital Work-In-Progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

D. Depreciation and Amortization

Depreciation on fixed assets is provided to the extent of depreciation amount on written down value methods (WDV) at the rates and in the manner prescribed under the Schedule XIV to the Companies Act, 1956 over the useful life on a pro-rata basis. Due to change in law, from April, 2014 Depreciation has been provided in the manner as prescribed under the Schedule II to the Companies Act, 2013.

E. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

d) Revenue from operations includes sale of services, service tax, and sales during trial run.

e) Revenue from services is recognized on rendering of services to customer, Dividend income is recognized when received and Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

f) Based on the forward contract outstanding as at 30.09.2014, premium received on such contract are recognized as income to the extent of the life of the contract pertaining to the current financial year.

F. Government Grants and Subsidies

Grants and subsidies from government, if any, are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grant/subsidy will be received.

G. Inventories

f) Raw materials are generally valued at cost determined on specific cost basis. For Inventories other than diamonds, FIFO method of valuation is adopted. For diamonds the same are valued on specific lot basis.

g) Rough rejection Diamonds, if any, are valued at estimated net realisable value.

h) Process stock, if any, is valued at direct cost.

i) Finished goods are valued at cost or net realisable value whichever is lower.

j) Appropriate reduction is made for slow moving and obsolete stock.

H. Foreign Currency Transactions

d) Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of the transaction.

e) Monetary items denominated in foreign currencies at the year-end are translated at the exchange rates prevailing on the date of the balance sheet. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and premium paid on forward contracts is recognized over the life of the contracts.

f) Any income or expense on account of exchange difference whether on settlement or on translation of transactions other than those in relation to fixed assets is recognized in the statement of profit and loss.

I. Investment

Investments are classified into long-term investments and short-term investments. Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long Term Investments & Short Term Investments, if any, are carried at cost. Provisions for diminution in the Long Term Investment are made only at the time of its disposal.

J. Impairment of Assets

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment thereof based on external/ internal factors. An impairment loss in accordance with Accounting Standard-28 "Impairment of Assets " is recognized wherever the carrying amount of an assets exceeds its recoverable amount, which represent the greater of the net selling price of assets and their value in use.

K. Retirement and other Employee Benefits

c) Short-term employee benefits are recognized as expenses at the undiscounted amount in the profit and loss account for the year in which the employee has rendered services. The expenses are recognized at the present value.

d) Company is not five years old hence provision of Gratuity is not Applicable. Since company has taken over running business of Partnership firm M/s. Perry Impex and Employees' of the firm are continued as employee of erstwhile company and that shall arise gratuity liability and same is not accounted for the year under consideration. Management is of the opinion that the same will be recorded on the payment basis

L. Segment Reporting

The company operates only in one reportable business segment i.e. diamonds. Hence there are no reportable segments under Accounting Standard -17. No separate geographical disclosures are required.

M. Borrowing cost

d) Borrowing cost that is attributable to the acquisition, construction of fixed assets is capitalized as part of the cost of the respective assets.

e) Other borrowing costs are recognized as expenses in the year in which they arise.

f) Director in tandem with of the Company has borrowed fund from Financial Institute and interest there upon is paid by Company under contractual obligation since it is explained to us that amount borrowed has been used for the Company.

N. Taxation

d) Income Tax is accounted for in accordance with Accounting Standards on 'Accounting for taxes on Income' notified under the Companies (Accounting Standards) Rules, 2006.

e) Minimum Alternate Tax (MAT) is accounted for in accordance with tax laws which give rise to future economic benefits in the form of tax credit against which future tax liability will be adjusted and hence is recognized as an asset in the Balance Sheet.

f) Deferred tax is recognized on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

O. Provisions, Contingent Liabilities and Contingent Assets:

c) Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

d) A disclosure on contingent liability is made when there is a possible obligation or present obligation that probably will not require an out flow of resources or where reliable estimate of the amount of the obligation cannot be made. However contingent assets are neither provided for nor disclosed.

P. Earnings Per Share

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

Q. There are no Auditor’s Qualifications in the Financial Statements of the Company.

Annexure V
NOTES TO ACCOUNTS

1. Managerial Remuneration

(₹ in lakhs)

Particulars	Sept 30, 2014	For the Year Ended March 31,			
		2014	2013	2012	2011
Whole Time Directors Remuneration					
Salaries and Allowances	41.50	73.50	60.00	48.00	0.00
Other Fees	0.25	0.00	0.00	0.00	0.00
Sitting Fees	0.00	0.00	0.00	0.00	0.00
Non Whole Time Directors Remuneration					
Sitting Fees	-	-	-	-	-

2. Deferred Tax

Deferred Tax liability on account of timing difference between taxable income and accounting income for the year is accounted for by applying the tax rates and laws enacted or substantially enacted as of the balance sheet date. Deferred Tax Assets are recognized only to the extent of virtual certainty of its realization or adjustment against deferred tax liability.

The company has accounted for Income Tax in compliance with the accounting standards relating "Accounting' for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India.

(₹ in lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
Deferred tax (liabilities):					
Timing difference in Depreciation	0.00	21.97	8.50	8.50	4.36
Add: during the year	21.16	0.00	13.47	0.00	0.00
Total (a)	21.16	21.97	21.97	8.50	4.36
Deferred tax (assets):					
Timing difference in Depreciation	0.00	(21.97)	0.00	0.00	0.00
Total (b)	0.00	(21.97)	0.00	0.00	0.00
TOTAL (a+b)	21.16	0.00	21.97	8.50	4.36

3. Remuneration to Statutory Auditors:

(₹in lakhs)

Particulars	Sept 30, 2014	Financial Year Ended			
		Mar-14	Mar-13	Mar-12	Mar-11
As Auditor	2.95	3.37	3.37	0.84	0.39
For Taxation Matters	0.00	1.41	1.41	0.28	0.00
Other Matters	1.12	1.12	1.12	0.00	0.00
Total	**4.07**	**5.90**	**5.90**	**1.12**	**0.39**

4. The Company has not received any intimation from suppliers regarding their status under micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the yearend together with interest payable as required under the said Act have not been furnished.

5. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.

6. Accounting for taxes on income

Provision for current tax is made based on the tax payable under the current provisions of the tax laws applicable in the jurisdiction where the income is assessable.

7. **Contingent Liability**

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprises, or is a possible obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

8. **Earnings Per share**

Basic & Diluted Earnings per Share is calculated on Weighted Average number of Equity shares during the year.

9. Previous year figures have been re-grouped and reclassified wherever necessary to confirm to the current year classification.

10. **Information regarding Foreign Exchange earnings and expenditure**:

(₹ in lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
Earning in Foreign Exchange	22,966.87	39,813.63	30,757.63	28,637.71	16,645.95
Expenditure in Foreign Exchange	8,579.20	25,034.70	16,926.18	19,171.81	11,790.63

ADJUSTMENTS MADE TO RESTATED FINANCIAL STATEMENTS DUE TO REPRESENTATION UNDER NEW FORMAT OF SCHEDULE VI OF THE COMPANIES ACT, 1956

Reconciliation of Current Assets and Loans & Advances

(₹ in lakhs)

Particulars	Sept 30, 2014	For the Year Ended March 31,			
		2014	2013	2012	2011
As per Balance Sheet					
Inventories					1,466.55
Sundry Debtors					3,275.79
Cash & Bank Balances					13,759.58
Loans & Advances					260.13
Miscellaneous expenses not w/o					5.60
Total	N.A	N.A	N.A	N.A	**18,767.65**
Restated as follows					
Inventories					1,466.55
Trade Receivables					3,275.79
Cash and Bank Balances					641.16
Short Term Loans and Advances					99.83
Other Current Assets					5.60
Total					**5,488.92**
Difference in Current Assets and Loans & Liabilities					**13,278.72[1]**

[1] The above difference has been re-classified as Long Term Loans & Advances amounting to ₹ 160.30 lakhs and Other Non-Current Assets amounting to ₹ 13,118.42 lakhs.

Reconciliation of Current Liabilities & Provisions

(₹ in lakhs)

Particulars	Sept 30, 2014	For the Year Ended March 31,			
		2014	2013	2012	2011
As per Balance Sheet					
Current Liabilities and Provisions					2,528.70
Total	N.A	N.A	N.A	N.A	**2,528.70**
Restated as follows					
Trade Payables					2,459.46

Other Current Liabilities					38.39
Short Term Provisions					63.13
Total					**2,560.98**
Difference in Current Liabilities & Provisions					**(32.28)[(2)]**

[(2)] The above difference includes ₹ 1.00 lakhs re-classified as Other Long Term Liabilities. Subsequently, the total difference of ₹ 33.28 lakhs is pertaining to prior period expenses incurred in F.Y. 2011-12, classified to its correct year as per the SEBI (ICDR) Regulations.

Reconciliation of Income and Expenses

(₹ in lakhs)

Particulars	Sept 30, 2014	For the Year Ended March 31,			
		2014	2013	2012	2011
As per Profit & Loss A/c					
Income					
Sales & Other Income					17,876.06
Expenses					
Cost of Goods Sold					17,364.28
Operating & Other Exp					143.95
Interest					45.14
Depreciation					5.08
Total	N.A	N.A	N.A	N.A	**317.60**
Restated as follows					
Income					
Revenue from Operations					17,585.50
Other Income					267.17
Expenses					
Cost of Materials Consumed					17,555.18
Changes in Inventory					(169.14)
Employee Benefit Expenses					8.33
Finance Cost					64.86
Depreciation					5.08
Other Expenses					104.04
Total					**284.32**
Difference in PAT					**33.28[(3)]**

[(3)] The above difference is due to adjustment of Prior Period expenses shown in F.Y. 2011-12 in its correct year as per SEBI (ICDR) Regulations.

OTHER ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES

Regrouping done in Profit & Loss Account that affect the Net Profit after Tax

F. Y. 2012-13

Provision for Current Tax of ₹ 183.67 lakhs in the Audited Financials includes ₹ 92.91 lakhs of MAT Credit. The same has been excluded from the Provision for Current Tax in the Restated Financials as the same is not utilised till the date of the Balance Sheet for that year.

Loss on Investment amounting to ₹ 246.00 lakhs was deducted from the Profit & Loss balance under the head of Reserves & Surplus. The same has been shown as Extra-ordinary item and deducted on the face of the P&L.

F. Y. 2013-14

Deferred Tax Asset amounting to ₹ 21.97 lakhs and Excess Provision for Income Tax amounting to ₹ 0.05 lakhs was added to the Profit & Loss balance under the head of Reserves & Surplus. The same has been shown under their respective heads on the face of the P&L.

Period ended Sept 30, 2014

Fixed Assets Written-off (due to change in law) amounting to ₹ 3.06 lakhs was deducted from the Profit & Loss balance under the head of Reserves & Surplus. The same has been shown as Extra-ordinary item and deducted on the face of the P&L.

Deferred Tax Liabilities amounting to ₹ 21.16 lakhs was deducted from the Profit & Loss balance under the head of Reserves & Surplus. The same has been shown under on the face of the P&L.

Multiple Years

In the F.Y. ending 2011, 2012, 2013, 2014 and the period ended Sept 30, 2014, Prior period expenses pertaining to each year has been re-adjusted against its respective year of accrual.

The above mentioned changes to Profit after Tax are summarised in the table below:

(₹ in lakhs)

Particulars	Sept 30, 2014	For the Year Ended March 31,			
		2014	2013	2012	2011
Profit after Tax as per Audited Financials	517.29	956.16	668.30	450.90	258.11
Changes made in Restated Financials					
Prior Period Expenses (Actual Accrual)	0.00	(16.83)	(2.80)	(114.89)	(33.28)
MAT Credit amount excluded	0.00	0.00	92.87	0.00	0.00
Extra-Ordinary Item included in P&L	(3.06)	0.00	(246.00)	0.00	0.00
Effect of Deferred Tax Asset / (Liability)	0.00	21.97	0.00	0.00	0.00
Excess Provision of Income Tax not considered	0.00	0.05	0.00	0.00	0.00
Profit after Tax as per Restated Financials	**514.23**	**961.35**	**512.37**	**336.01**	**224.83**

Other Regrouping done in Balance Sheet

F. Y. 2012-13

Loan amount of₹ 12.83 lakhs shown under Short – Term Borrowings in the Audited Financials was re-classified as Long – Term Borrowings in the restated financials.

Other Regrouping done in Profit & Loss Account (that do not affect PAT)

2010-11

₹ 2.14 lakhs pertaining to Sale of Electricity generated by Windmill shown as Other Income in audited financials for the F Y 2010-11, now re-classified as part of Revenue from Operations for the restated financials.

2011-12

₹ 10.98 lakhs pertaining to Sale of Electricity generated by Windmill shown as Other Income in audited financials for the F Y 2011-12, now re-classified as part of Revenue from Operations for the restated financials.

Multiple Years

Proposed Dividend and Dividend Distribution Tax for the F. Y. 2011-12, 2012-13 and 2013-14 were adjusted from the Profit & Loss balance under Reserves and Surplus in the Balance Sheet. However, the same has been shown as an appropriation expense on the face on the P&L A/c

Annexure VI
STATEMENT OF INVESTMENTS, AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
Investment in Quoted Equity Shares					
Karnataka Bank (204 shares)	0.21	0.20	0.20	0.20	23.15
Investment in Un-Quoted Equity Shares					
Saraswat Co-operative bank (2,500 shares)	0.25	0.25	0.25	0.25	0.25
Panchsheel Merc Co op Bank (6,695 shares)	0.67	0.67	0.67	0.67	0.67
Sheth Thakurdas Khinveraj Pvt. Ltd. (partly paid up 32,80,000 shares)	0.00	0.00	0.00	246.00	246.00
Investments in Mutual Funds					
Axis Bank (10,000 units of quoted share)	0.00	0.00	0.00	0.00	10.00
Union KBC Capital Protection fund (7,49,990 shares)	75.00	75.00	75.00	0.00	0.00
Investments in Subsidiary Companies					
Perry Creation Private Limited (unquoted subsidiary 5,100 shares)	0.51	0.51	0.00	0.00	0.00
Perry Impex USA Equity share (2000 shares)	3.09	0.00	0.00	0.00	0.00
Perrian Lifestyle Private Limited (10,000 shares)	1.00	1.00	0.00	0.00	0.00
Total	**80.73**	**77.63**	**76.12**	**247.12**	**280.07**

Annexure VII
STATEMENT OF NON-CURRENT ASSETS, AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
FD with bank	0.00	193.80	355.57	966.06	13,118.42
Total	**0.00**	**193.80**	**355.57**	**966.06**	**13,118.42**

Annexure VIII
STATEMENT OF INVENTORIES, AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
Raw Materials	3,437.85	3,011.64	1,727.64	657.51	713.97
Finished Goods	2,503.59	2,595.68	735.07	697.74	752.58
Total	**5,941.44**	**5,607.32**	**2,462.71**	**1,355.25**	**1,466.55**

Annexure IX
STATEMENT OF TRADE RECEIVABLES, AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
Outstanding for a period exceeding six months					
Considered Good					
From Promoter / Promoter Group	0.00	0.00	0.00	0.00	0.00
From Others	1,365.73	965.45	0.00	0.00	0.00
Sub - Total (A)	**1,365.73**	**965.45**	**0.00**	**0.00**	**0.00**
Outstanding for a period not exceeding six months					

Considered Good					
From Promoter / Promoter Group	0.00	0.00	0.00	0.00	0.00
From Others	17,523.14	11,836.24	17,596.80	3,581.15	3,275.79
Sub - Total (B)	**17,523.14**	**11,863.24**	**17,596.80**	**3,581.15**	**3,275.79**
Total (A+B)	**18,888.87**	**12,828.69**	**17,596.80**	**3,581.15**	**3,275.79**

Annexure X
STATEMENT OF LOANS AND ADVANCES, AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
Long Term Loans & Advances					
Deposits	1.21	10.80	16.80	6.57	8.82
Other Loans and Advances	0.00	6.41	41.42	0.00	0.00
MAT Credit	0.00	62.80	92.91	0.00	0.00
Capital Advances	0.00	0.00	0.00	100.13	100.13
Advance recoverable in cash or kind	0.00	0.00	0.00	64.32	51.36
TOTAL	**1.21**	**80.01**	**151.13**	**171.01**	**160.30**
Short Term Loans & Advances					
Advance tax Paid	90.00	179.00	85.00	15.00	40.00
Tax deducted at sources	2.25	4.67	7.83	87.12	20.09
Prepaid expenses	89.41	69.17	36.32	28.61	39.74
Other Loans and Advances	300.46	796.02	56.46	0.00	0.00
Deposits	26.43	27.23	0.00	0.00	0.00
TOTAL	**508.55**	**1,076.09**	**185.61**	**130.73**	**99.83**

Annexure XI
STATEMENT OF LONG TERM BORROWINGS, AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
Term Loans					
Loan from Bank	1,121.05	1,042.86	50.18	0.00	0.00
Loan Financial Institutes	17.44	11.61	36.46	0.00	0.00
Other Loans					
Loan From Directors	1,200.47	1,202.35	0.00	86.04	90.29
Loan From Relatives of Directors	0.00	0.00	55.00	30.62	160.62
Others	0.00	0.00	0.00	0.00	393.00
Total (A)	**2,338.96**	**2,256.82**	**141.64**	**116.65**	**643.90**

Annexure XII
STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
Secured					
Loans from Banks	5,993.69	5,476.85	3,804.50	1,919.83	2,067.66
Working capital in form of buyers credit (secured against FD in Respective banks)	0.00	0.00	0.00	496.22	12,095.16
Loan from Bank	123.02	251.34	25.96	0.00	0.00
Loan from Financial Institutes	19.91	39.83	52.04	0.00	0.00
Total	**6,136.63**	**5,768.01**	**3,882.51**	**2,416.05**	**14,162.82**

The above amounts in Annexure XI and XII include:

(₹ in lakhs)

Secured Borrowings	7,275.12	6,822.49	3,969.15	2,416.05	14,162.82
Unsecured Borrowings	1,200.47	1,202.35	55.00	116.65	643.90
Total	**8,475.59**	**8,024.84**	**4,024.15**	**2,532.71**	**14,806.72**

Note: For details of the Terms of Sanction, Maturity and other details of Secured Loans please see the Schedule I - "*Financial Indebtedness*" attached along with this Restated Financials.

Annexure XIII
STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
Provision for Employee Benefits					
Salary & Reimbursements	7.64	6.62	6.08	0.54	0.78
Wages Payable	82.18	25.45	21.41	18.78	4.05
Professional Charges Payable	0.00	0.00	0.42	0.42	0.20
Others					
Tax Deducted at Sources	2.94	9.28	12.88	11.87	2.62
Income Tax Payable	281.48	289.88	183.72	119.87	55.13
Proposed Dividend	0.00	85.00	52.50	35.00	0.00
Dividend Distribution Tax (on proposed dividend)	14.45	14.45	8.52	5.41	0.00
Audit Fees Payable	9.45	5.37	5.71	1.01	0.35
Total	**398.14**	**436.05**	**291.23**	**192.91**	**63.13**

Annexure XIV
STATEMENT OF OTHER LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
Other Non-Current Liabilities					
Rent Deposits	0.00	1.00	2.80	1.00	1.00
Total	**0.00**	**1.00**	**2.80**	**1.00**	**1.00**
Other Current Liabilities					
Other payable(1)	119.49	804.98	120.77	141.06	38.39
Total	**119.49**	**804.98**	**120.77**	**141.06**	**38.39**

(1) The above amounts include the prior period expenses which have been classified to its correct year as per the SEBI (ICDR) Regulations.

Annexure XV
STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED

(₹ in lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
Sale of Products					
Export of cut & Polished Diamonds	22,966.69	39,813.63	31,249.48	28,637.71	16,645.96
Local Sales rough diamond & cut and Polished diamond	110.54	3,044.50	72.75	0.00	939.54
Sale of Electricity generated by windmill	6.07	9.92	13.47	10.98	2.14
Total	**23,083.30**	**42,868.05**	**31,335.71**	**28,648.69**	**17,587.64**

Annexure XVI
STATEMENT OF OTHER INCOME, AS RESTATED

(₹ in Lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
Net Profit Before Tax and Extraordinary Items	776.84	1,259.33	862.64	460.01	284.32
20% of Net Profit Before Tax	155.37	251.87	172.53	92.00	56.86
Other Income Details					
Recurring Other Income					
Interest on FD & Facility	22.51	46.71	68.23	116.07	154.35
Dividend Income from others	0.00	0.00	0.05	0.06	0.00
Long Term Capital Gain	0.00	0.00	143.23	0.93	0.00
Rent Income	0.00	6.86	5.85	3.20	1.60
Gain on Forward Contract	0.11	50.99	17.63	15.81	19.90
Dollar Incentive account	0.05	0.17	0.00	0.00	0.00
Freight Rebate	0.13	2.21	0.00	0.00	0.00
Premium on Forward contract	163.71	15.28	0.00	0.00	0.00
Non – Recurring Other Income					
Interest Subvention	0.00	48.76	0.00	0.00	0.00
Interest on FD & Buyers Credit	0.00	0.00	0.00	356.61	0.00
Interest on Income Tax Refund	0.00	0.00	0.00	0.18	0.00
Miscellaneous Income	0.07	0.00	0.05	0.06	0.05
Exchange diff on FDBD	0.00	26.58	0.00	0.00	0.00
Profit on Derivatives	0.00	0.81	0.00	0.00	0.00
Prior Period income #	0.00	1.70	0.00	0.00	0.00
Net gain / loss on foreign currency transaction and translation	0.00	0.00	0.00	257.58	89.13
Insurance claim	0.00	0.12	0.00	0.00	0.00
Total	**186.58**	**200.19**	**235.04**	**750.50**	**265.03**

Annexure XVII
STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

(v) Key Managerial Personnel & Relatives

September 30, 2014	For the year ended March 31,			
	2014	2013	2012	2011
Rasik Mangukiya	Rasik Mangukiya	Rasik Mangukiya	Rasik Mangukiya	Rasik Mangukiya
Ramesh Mangukiya	Ramesh Mangukiya	Ramesh Mangukiya	Ramesh Mangukiya	Ramesh Mangukiya
Pravin Mangukiya	Pravin Mangukiya	Pravin Mangukiya	Pravin Mangukiya	Pravin Mangukiya
Satish Mangukiya	-	-	-	-
Darshit Parikh	-	-	-	-

(vi) Relatives of KMPs

September 30, 2014	For the year ended March 31,			
	2014	2013	2012	2011
-	Pravin Mangukiya	Pravin Mangukiya	Pravin Mangukiya	Pravin Mangukiya

(vii) Subsidiary Companies

September 30, 2014	For the year ended March 31,			
	2014	2013	2012	2011
Perry Creation Private Limited	Perry Creation Private Limited	-	-	-
Perrian Lifestyle Private Limited	Perrian Lifestyle Private Limited	-	-	-
Perry Impex USA Inc.	-	-	-	-

(viii) Associates / Enterprises over which directors and / or their relatives has significant influence

September 30, 2014	For the year ended March 31,			
	2014	2013	2012	2011
-	-	-	-	-

(ix) Particulars of Transactions with Related Parties

Key Management Personnel & Relatives

(₹ in lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
1) Finance					
Loan Taken	0.00	1,252.35	56.00	143.00	90.29
Repayment of Loan taken	1.88	50.00	142.04	147.25	0.00
Investment in Equity	0.00	538.65	0.00	0.00	0.00
2) Expenses					
Remuneration	46.13	81.66	60.00	48.00	0.00
3) Out standing					
Receivables	0.00	0.00	0.00	0.00	0.00
Payables	1,200.47	1,202.35	0.00	86.04	90.29

Relatives of KMPs

(₹ in lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
3) Finance					
Loan Taken	0.00	0.00	55.00	0.00	160.62
Repayment of Loan Taken	0.00	55.00	30.62	130.00	0.00
4) Out standing					
Receivables	0.00	0.00	55.00	30.62	160.62
Payables	0.00	0.00	0.00	0.00	0.00

Subsidiaries

(₹ in Lakhs)

Particulars	Sept 30, 2014	For the year ended March 31,			
		2014	2013	2012	2011
5) Purchase & Sales					
Goods & Materials	825.11	27.58	0.00	0.00	0..00
6) Finance					
Advance Given	46.80	80.74	0.00	0.00	0..00
Repayment of Advance	0.00	0.38	0.00	0.00	0..00
Investment	3.08	1.51	0.00	0.00	0..00
7) Out standing					
Receivables	856.83	27.58	0.00	0.00	0..00
Payables	127.16	80.37	0.00	0.00	0..00
Investment	4.59	1.51	0.00	0.00	0..00

Annexure XVIII
STATEMENT OF CAPITALIZATION

(₹ in Lakhs)

Particular	Pre Issue (as at Sept 30, 2014)	Post Issue
Debt		
Long Term Debt	2,338.96	2,338.96
Short Term Debt	6,136.63	6,136.63
Total Debts (A)	**8,475.59**	**8,475.59**
Equity (Shareholder's funds)		
Equity share capital	850.00	1,160.00
Reserve and Surplus	3,814.10	5,209.10
Total Equity (B)	**4,664.10**	**6,369.10**
Long Term Debt / Equity Shareholder's funds	**0.50 : 1**	**0.37: 1**
Total Debts / Equity Shareholder's funds	**1.82 : 1**	**1.33 : 1**

Note:
2. The above has been computed on the basis of Restated Financials of the Company.

Annexure XIX
STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED

(₹ in lakhs)

Particular	Sept 30, 2014	For the year ended on March 31,			
		2014	2013	2012	2011
Guarantees	2,174.00	2,174.00	0.00	0.00	0.00
Total	**2,174.00**	**2,174.00**	**0.00**	**0.00**	**0.00**

Annexure XX
STATEMENT OF DIVIDEND DECLARED, AS RESTATED

(₹ in lakhs)

Particular	Sept 30, 2014	For the year ended on March 31,			
		2014	2013	2012	2011
On Equity Shares					
Fully Paid up Share Capital	850.00	850.00	700.00	700.00	700.00
Face Value (₹)	10.00	10.00	10.00	10.00	10.00
Paid up Value per Share (₹)	10.00	10.00	10.00	10.00	10.00
Rate of Dividend	-	10%	7.5%	5.00%	0.00%
Dividend Amount	0.00	85.00	52.50	35.00	0.00
Corporate dividend tax on above @ 16.995%	0.00	14.45	8.52	5.41	0.00

Annexure XXI
STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

(₹ in Lakhs)

Particular	Sept 30, 2014(1)	For the year ended on March 31,			
		2014	2013	2012	2011
Restated PAT as per P & L Account	514.23	961.35	512.37	336.00	224.83
Actual Number of Equity Shares outstanding at the end of the year	85,00,000	85,00,000	70,00,000	70,00,000	70,00,000
Equivalent Weighted Average number of Equity Shares at the end of the year	85,00,000	72,79,452	70,00,000	70,00,000	37,12,213

Net Worth[(2)]	4,425.71	3,911.48	2,510.93	2,059.58	1,758.39
Earnings Per Share:					
Basic & Diluted[(3)]	6.05	13.21	7.32	4.80	6.06
Return on Net Worth (%)	11.03%	24.58%	20.41%	16.31%	12.79%
Net Asset Value Per Share (₹.) - based on actual no. of equity shares at the end of the year	52.07	46.02	35.87	29.42	25.12
Nominal Value per Equity share (₹)	10.00	10.00	10.00	10.00	10.00

(1) Not annualised

(2) There is no revaluation reserve in last five years of the Company. Net Worth is Equity Share Capital + Reserves and Surplus – Preliminary expenses not written off.

(3) As there is no dilutive capital in the company, Basic and Diluted EPS are same.

Notes to Accounting Ratios:

c. The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & V respectively.

d. Formulas used for calculating above ratios are as under:

   vi. Basic EPS is being calculated by using the formula: Net Profit after excluding Extra-ordinary items / Weighted Average No. of outstanding shares.

   vii. Basic EPS (Including bonus Effect) is being calculated by using the formula: Net Profit after excluding Extra-ordinary items / Weighted Average No. of outstanding shares including bonus effect.

   viii. Net Asset Value is being calculated by using the formula: (Equity Share Capital + Reserves and Surplus – Preliminary Expenses not written off)/Number of Equity Shares at year end.

   ix. Return on Net worth is being calculated by using the formula: Profit After Tax/(Equity Share Capital +Reserves and Surplus – Preliminary Expenses not written off).

   x. Net Tangible Assets comprises Net Fixed Assets and Net Working Capital.

Annexure XXII
STATEMENT OF TAX SHELTER

(₹ in Lakhs)

Particular	Sept 30, 2014	For the year ended on March 31,			
		2014	2013	2012	2011
Normal Corporate tax rates (%)	30.90%	30.90%	30.90%	30.90%	30.90%
Minimum alternative tax rates	18.50%	18.50%	18.50%	18.00%	18.00%
Profit before tax as per Restated P/L	776.52	1,259.33	862.64	460.01	284.32
Exempt Income 10AA	76.12	466.57	511.35	133.59	161.59
Taxable income	700.40	792.76	351.29	326.43	122.73
Applicable Corporate tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%
Notional tax as per tax rate on profits (A)	**216.42**	**244.96**	**108.55**	**100.87**	**37.92**
Tax Adjustment					
Permanent Difference					
Donation & Other Expenses	5.38	12.7155	8.44	12.78	22.04
Income Tax, FBT & Provision for Income Tax					
35AC	0.00	0.00	(75.00)	(75.00)	0.00
U/s. 40(a) (ia)	0.00	0.56	3.20	0.00	0.00
Provision for Gratuity	0.00	0.00	0.00	0.00	0.00
Profit on Sale of Fixed Assets	0.00	0.00	0.00	0.00	0.00
Loss on Sale of Fixed Assets	0.00	0.00	0.00	0.00	0.00
Total Permanent Difference (B)	**5.38**	**13.28**	**(63.36)**	**(62.22)**	**22.04**
Timing Difference					
Depreciation	(62.25)	97.34	(41.51)	(13.40)	(14.81)

Exp. Disallowed u/s. 43B	0.00	0.00	0.00	0.00	0.00
Un Paid Professional Tax	0.00	0.00	0.00	0.00	0.00
Un Paid Bonus	0.00	0.00	0.00	0.00	0.00
U/s. 36(1) (VA) & 43B	0.00	0.00	0.00	0.00	1.67
Total Timing Difference (C)	**(62.25)**	**97.34**	**(41.51)**	**(13.40)**	**(13.14)**
Business Losses not set off in past years (D)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Total Adjustment (E) = (B+C+D)	(56.87)	110.62	(104.87)	(75.62)	8.90
Tax Expenses / (Saving) thereon (F) = (E)* Tax rate	(17.57)	34.18	(32.41)	(23.37)	2.75
Tax payable as per normal provisions (other than 115JB) of the Act (G)	193.06	279.15	73.93	75.24	39.49
MAT tax rate (H)	18.50%	18.50%	18.50%	18.00%	18.00%
Tax under MAT (I)	143.66	232.98	159.59	82.80	22.09
Tax payable for the year maximum of (G) or (I)	**193.06**	**279.15**	**159.59**	**82.80**	**39.49**

Notes:

1. The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Profit and Loss Account'

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

There has been no change in the Accounting Policies in the last three (3) years.

CHANGE IN ACCOUNTING PERIOD

There has been no change in the accounting period of the Company.

SALE OR PURCHASE BETWEEN OUR COMPANY AND GROUP COMPANIES

There have been no transactions of sale or purchase during the FY 2013 – 2014 between our Company and the Group Companies exceeding 10% of our total sale or purchases.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

Business Overview

In the year 1970, Mr. Popatlal Mangukiya had commenced operations in the diamond market on a small scale in Surat. After witnessing rapid growth and considering the immense scope in this business, Mr. Ramesh Mangukiya and Mr. Rasik Mangukiya (sons of Mr. Popatlal Mangukiya) joined the family business. They continued the business of trading, processing, cutting, and finishing of precious stones, gems and jewellery and in the year 1997, they registered their business as a Partnership Firm, namely, M/s Perry Impex. Our Company was originally incorporated with the Registrar of Companies, Mumbai on July 22, 2010 as Perry Impex Private Limited and subsequently, pursuant to a Take Over Agreement dated October 01, 2010, among Mr. Rasik Mangukiya, Mr. Ramesh Mangukiya (collectively, the Owners of M/s Perry Impex) and our Company, our Company purchased as a going concern the entire business of M/s Perry Impex. Hence, our group has its presence in the Diamond Industry for more than four decades. For further details regarding history of our Company, please see the chapter titled "*History and Certain Corporate Matters*" beginning on page 92 of this Draft Prospectus.

We are an integrated player in the Diamond Industry with expertise ranging from manufacturing / processing to exporting of polished diamonds and diamond jewellery. Our current focus area is in coloured round diamonds and hence our offering includes OW, TTLB, Dark Brown and Black Polished Diamonds. We import rough diamonds which undergo the processes of sampling, grading, cutting and polishing and then sell these as polished diamonds in domestic and export markets. We have also begun in-house manufacturing and retailing of diamond jewellery under our newly launched *"Perrian"* brand. Our products range across different price points and cater to customers across high-end, mid-market and value market segments.

Our Company's export income comes from sale of cut and polished diamonds of various sizes, shapes and clarities, which are manufactured by us and the same has grown at a CAGR of 31.39% from Fiscal 2011 to Fiscal 2014. For details, please see "*Export Operations*" further below in this chapter.

Our diamond manufacturing activities are divided between three units in Gujarat located at Surat, Palitana and Gariyadhar. Further, for jewellery manufacturing we have hired a unit within the Surat SEZ promoted by DGDC in order to take the tax and duty benefits on imports.

We own and operate three offices at Mumbai, namely at – Opera House (Registered Office), BKC (Corporate Office) and Bharat Diamond Bourse (Dealing Office). Further, we own and operate an office at Surat which oversees our Gujarat operations.

Apart from the Gems and Jewellery business, Perry Impex has also recently built its presence in the Textile Industry through its subsidiary - Perrian Lifestyle Private Limited wherein we own and operate a retail store for apparels and textiles at Santacruz, Mumbai.

COMPETITION

The industry in which we operate is highly competitive and fragmented and unorganised. We face competition in both our diamond processing and jewellery business segments. In the diamond processing segment, there are a number of well established players in the market like Goenka Diamonds, Kiran Jewels, Suashish Diamond, Suraj Diamond, Shrenuj & Co., Shree Ramkrishna Exports, among others. We face competition from both the organized and unorganized sector in jewellery retail. We also face competition in some regions from regional players like Gitanjali Gems, C. Mahendra Exports, Tribhovandas Bhimji Zaveri, among others.

Significant Developments after March 31, 2014 that may affect our Future Results of Operations

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Draft Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

Factors affecting our Result of Operation

Our result of operations depend on various factors, including the following

- ✓ The condition and performance of the property market
- ✓ General economic and demographic conditions
- ✓ Regulation affecting the real estate industry
- ✓ Our ability to acquire land at suitable costs
- ✓ Our ability to identify suitable projects and execute them in a timely and cost effective manner
- ✓ The availability of finance on favourable terms for our business and for our customers and
- ✓ Competition

For further details please see section titled “Risk Factors” and chapter titled “Industry Overview” on pages 9 and 67 respectively of this Draft Prospectus.

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

j. Financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles and the provisions of the Companies Act, 2013.

k. The Company follows the mercantile system of accounting on a going concern basis.

l. Presentation and discloser in financial statements

During the year ended March 31, 2012 the revised Schedule VI notified under the companies act 1956, had become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed by the company for preparation of financial statements. However, it has significant impact on presentation and disclosure made in financial statements. The company has also reclassified the previous year figures in accordance with the requirement applicable in current year.

B. Use of Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent assets and liabilities as at the date of financial statements are reported amounts of incomes and expenses during the period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the period in which the results are known / materialized.

C. Fixed Assets, including Intangible Assets and Capital Work in Progress

g) Fixed Assets are stated at cost, net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

h) Intangible Assets, if any, are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment losses, if any.

i) Capital Work-In-Progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

D. Depreciation and Amortization

Depreciation on fixed assets is provided to the extent of depreciation amount on written down value methods (WDV) at the rates and in the manner prescribed under the Schedule XIV to the Companies Act, 1956 over the useful life on a pro-rata basis. Due to change in law, from April, 2014 Depreciation has been provided in the manner as prescribed under the Schedule II to the Companies Act, 2013.

E. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

g) Revenue from operations includes sale of services, service tax, and sales during trial run.

h) Revenue from services is recognized on rendering of services to customer, Dividend income is recognized when received and Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

i) Based on the forward contract outstanding as at 31.03.2013, premium received on such contract are recognized as income to the extent of the life of the contract pertaining to the current financial year.

F. Government Grants and Subsidies

Grants and subsidies from government, if any, are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grant/subsidy will be received.

G. Inventories

k) Raw materials are generally valued at cost determined on specific cost basis. For Inventories other than diamonds, FIFO method of valuation is adopted. For diamonds the same are valued on specific lot basis.

l) Rough rejection Diamonds, if any, are valued at estimated net realisable value.

m) Process stock, if any, is valued at direct cost.

n) Finished goods are valued at cost or net realisable value whichever is lower.

o) Appropriate reduction is made for slow moving and obsolete stock.

H. Foreign Currency Transactions

g) Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of the transaction.

h) Monetary items denominated in foreign currencies at the year-end are translated at the exchange rates prevailing on the date of the balance sheet. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and premium paid on forward contracts is recognized over the life of the contracts.

i) Any income or expense on account of exchange difference whether on settlement or on translation of transactions other than those in relation to fixed assets is recognized in the statement of profit and loss.

I. Investment

Investments are classified into long-term investments and short-term investments. Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long Term

Investments & Short Term Investments, if any, are carried at cost. Provisions for diminution in the Long Term Investment are made only at the time of its disposal.

J. Impairment of Assets

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment thereof based on external/ internal factors. An impairment loss in accordance with Accounting Standard-28 "Impairment of Assets " is recognized wherever the carrying amount of an assets exceeds its recoverable amount, which represent the greater of the net selling price of assets and their value in use.

K. Retirement and other Employee Benefits

e) Short-term employee benefits are recognized as expenses at the undiscounted amount in the profit and loss account for the year in which the employee has rendered services. The expenses are recognized at the present value.

f) Company is not five years old hence provision of Gratuity is not Applicable. Since company has taken over running business of Partnership firm M/s. Perry Impex and Employees' of the firm are continued as employee of erstwhile company and that shall arise gratuity liability and same is not accounted for the year under consideration. Management is of the opinion that the same will be recorded on the payment basis

L. Segment Reporting

The company operates only in one reportable business segment i.e. diamonds. Hence there are no reportable segments under Accounting Standard -17. No separate geographical disclosures are required.

M. Borrowing cost

g) Borrowing cost that is attributable to the acquisition, construction of fixed assets is capitalized as part of the cost of the respective assets.

h) Other borrowing costs are recognized as expenses in the year in which they arise.

i) Director in tandem with of the Company has borrowed fund from Financial Institute and interest there upon is paid by Company under contractual obligation since it is explained to us that amount borrowed has been used for the Company.

N. Taxation

g) Income Tax is accounted for in accordance with Accounting Standards on 'Accounting for taxes on Income' notified under the Companies (Accounting Standards) Rules, 2006.

h) Minimum Alternate Tax (MAT) is accounted for in accordance with tax laws which give rise to future economic benefits in the form of tax credit against which future tax liability will be adjusted and hence is recognized as an asset in the Balance Sheet.

i) Deferred tax is recognized on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

O. Provisions, Contingent Liabilities and Contingent Assets:

e) Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

f) A disclosure on contingent liability is made when there is a possible obligation or present obligation that probably will not require an out flow of resources or where reliable estimate of the amount of the obligation cannot be made. However contingent assets are neither provided for nor disclosed.

P. Earnings Per Share

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

Q. There are no Auditor's Qualifications in the Financial Statements of the Company.

RESULTS OF OUR OPERATIONS

(₹ in lakhs)

Particulars	Sept 30, 2014	% of Total Income	For the year ended March 31, 2014	% of Total Income	2013	% of Total Income	2012	% of Total Income	2011	% of Total Income
Income										
Revenue from operations	23,083.30	99.20%	42,868.05	99.54%	31,335.71	99.26%	28,648.69	97.45%	17,587.64	98.52%
Other Income	186.58	0.80%	200.19	0.46%	235.04	0.74%	750.50	2.55%	265.03	1.48%
Total Income	23,269.88	100.00%	43,068.24	100.00%	31,570.75	100.00%	29,399.19	100.00%	17,852.67	100.00%
Expenditure										
Purchases	21,666.58	93.11%	42,026.51	97.58%	29,892.75	94.68%	28,111.97	95.62%	17,555.18	98.33%
Change in Inventories	92.09	0.40%	(1,860.61)	-4.32%	(37.32)	-0.12%	55.33	0.19%	(169.14)	-0.95%
Employee expense	88.01	0.38%	112.71	0.26%	132.41	0.42%	57.35	0.20%	8.33	0.05%
Financial costs	434.09	1.87%	667.23	1.55%	399.49	1.27%	157.72	0.54%	64.86	0.36%
Depreciation and amortization expense	25.26	0.11%	224.85	0.52%	43.67	0.14%	16.40	0.06%	5.08	0.03%
Other expenses	187.33	0.81%	638.21	1.48%	277.12	0.88%	540.40	1.84%	104.04	0.58%
Total Expenses	22,493.36	96.66%	41,808.91	97.08%	30,708.10	97.27%	28,939.18	98.44%	17,568.35	98.41%
Profit before tax	776.52	3.34%	1,259.33	2.92%	862.64	2.73%	460.01	1.56%	284.32	1.59%
Current tax	238.07	1.02%	320.00	0.74%	90.81	0.29%	119.87	0.41%	55.13	0.31%
Deferred tax	21.16	0.09%	(21.97)	-0.05%	13.47	0.04%	4.14	0.01%	4.36	0.02%
Excess / Deficit in Provisions	0.00	0.00%	(0.05)	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Profit after tax but extra-ordinary item	517.29	2.22%	961.35	2.23%	758.37	2.40%	336.00	1.14%	224.83	1.26%
Less: Extra-ordinary Items	3.06	0.01%	0	0.00%	246	0.78%	0	0.00%	0	0.00%
Profit / (Loss) for the period	514.23	2.21%	961.35	2.23%	512.37	1.62%	336.00	1.14%	224.83	1.26%

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations (i.e. Manufactured and Traded Goods including domestic & export sales) as a percentage of total income was 99.54%, 99.26%, 97.45% and 99.20% in fiscals 2014, 2013, 2012 and for the six months period ended September 30, 2014 respectively.

Other Income

Our other income includes Interest on FDR and other miscellaneous non-recurring incomes. Other income, as a percentage of total income was 0.46%, 0.74%, 2.55% and 0.80% in fiscals 2014, 2011, 2012 and for the six months period ended September 30, 2014 respectively.

Expenditure

Our total expenditure primarily consists of Purchases, Changes in Inventories, Employee Benefit Expenses, Financial Cost, Depreciation and Amortization Expenses and Other expenses.

Purchases

Costs of Purchases are primarily includes the cost of materials consumed in relation to manufacturing manufacture of diamonds.

Employee Benefit Expenses

Expenses in relation to employees' remuneration and benefits include salary, bonus and allowances, workmen and staff welfare costs, Director's remuneration etc.

Other Expenses

Other expenses primarily include Rent, Advertisement expenses, Legal & Professional fees, Office expenses, etc

Financial Cost

Financial Cost primarily consists of Interest on Loans and Bank Charges.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses primarily consist of depreciation/amortization on the fixed assets and Intangible Assets of our Company which primarily includes Vehicles, Furniture and fixtures, Computers and Office Equipments.

Provision for Tax

Income taxes are accounted for in accordance with Accounting Standard – 22 on "Accounting for Taxes on Income" ("AS-22"), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

Review for the six (6) months period ended September 30, 2014

Income

Our total income for the six months period ended September 30, 2014 was ₹ 23,269.88 lakhs. In the current period, the revenue earned from operations is ₹ 23,083.30 lakhs or 99.20% of the total income. Other income for said period was recorded at ₹ 186.58 lakhs or 0.80% of total income.

Purchases

Our purchases for the six months period ended September 30, 2014 were ₹ 21,666.58 lakhs. As a proportion of our total income they were 93.11%.

Employee Benefit Expenses

Our Employee Benefit Expenses for the six months period ended September 30, 2014 were ₹ 88.01 lakhs. As a proportion of our total income they were 0.38%.

Other Expenses

Our Other Expenses for the six months period ended September 30, 2014 ₹ 187.33 lakhs. As a proportion of our total income they were 0.81%.

Financial Cost

Our Financial Cost for the six months period ended September 30, 2014 was 434.09 lakhs.

Depreciation and Amortization Expenses

Our Depreciation and Amortization Expenses for the six months period ended September 30, 2014 were ₹ 25.26 lakhs. As a proportion of total income they were 0.11%.

Profit before Tax

Profit before Tax for the six months period ended September 30, 2014 was ₹ 776.52 lakhs.

Profit after Tax

Profit after Tax for the six months period ended September 30, 2014 was ₹ 514.23 lakhs.

Fiscal 2014 compared with fiscal 2013

Income

In fiscal 2014, our total income increased by ₹ 11,532.34 lakhs or 36.80%, from ₹ 31,335.71 lakhs in fiscal 2013 to ₹ 42,868.05 lakhs in fiscal 2014. The major factor for such increase was due to increase in export of cut & polished diamonds and local sales of rough, cut and polished diamond. Other income decreased by ₹ 34.85 lakhs or 14.83%, from ₹ 235.04 lakhs in fiscal 2013 to ₹ 200.19 lakhs in fiscal 2014. The major factor for such decrease was due to decrease in long term capital gain.

Purchases

The purchases in fiscal 2014 were ₹ 42,026.51 lakhs, an increase of 40.59% as compared to the previous year purchases of ₹ 29,892.75 lakhs in fiscal 2013. The above increase was mainly due to increase in scale of operations.

Employee Benefit Expenses

Our staff cost decreased by ₹ 19.70 lakhs or 14.88%, from ₹ 132.41 lakhs in fiscal 2013 to ₹112.71 lakhs in fiscal 2014. This decrease was mainly due to decrease in number of daily wages / per piece labourers utilized during the year.

Financial Cost

Financial cost increased by ₹ 267.74 lakhs from ₹399.49 lakhs in fiscal 2013 to ₹667.23 lakhs in fiscal 2014. The cause of increase in these financial costs was majorly due to increase in long term borrowings.

Depreciation and Amortization Expenses

Depreciation expenses increased by ₹ 181.18 lakhs, from ₹ 43.67 lakhs in fiscal 2013 to ₹ 224.85 lakhs in fiscal 2014. This increase was due to the purchase of assets in the current fiscal.

Other Expenses

Other expenses increased by ₹ 361.10 lakhs from ₹ 277.12 lakhs in fiscal 2013 to ₹ 638.21 lakhs in fiscal 2014. The cause of increase in these expenses was majorly due to increase in expenses related to foreign exchange and forward contract transactions.

Profit before Tax

Due to operational efficiency and increase in total income our PBT increased by ₹ 396.69 lakhs from ₹ 862.64 lakhs in fiscal 2013 to ₹ 1,259.33 lakhs in fiscal 2014.

Profit after Tax

Our profit after tax increased by ₹ 448.98 lakhs from ₹ 512.37 lakhs in fiscal 2013 to ₹ 961.35 lakhs in fiscal 2014.

Fiscal 2013 compared with fiscal 2012

Income

In fiscal 2013, our total income increased by ₹ 2,687.02 lakhs or 9.38%, from ₹ 28,648.69 lakhs in fiscal 2012 to ₹ 31,335.71 lakhs in fiscal 2013. The major factor for such increase was due to increase in export of cut & polished diamonds. Other income decreased by ₹ 515.46 Lakhs or 68.68%, from ₹ 750.50 Lakhs in fiscal 2012 to ₹ 235.04 lakhs in fiscal 2013. The major factor for such decrease was due to decrease in interest income and decrease in gain from foreign currency transaction.

Purchases

The purchases in fiscal 2013 were ₹ 29,892.75 lakhs, an increase of 6.33% as compared to the previous year purchases of ₹ 28,111.97 lakhs in fiscal 2012. The above increase was mainly due to increase in scale of operations.

Employee Benefit Expenses

Our staff cost increased by ₹ 75.06 lakhs or 130.87%, from ₹ 57.35 lakhs in fiscal 2012 to ₹ 132.41 lakhs in fiscal 2013. This increase was mainly due to yearly increments, increase directors remuneration and marginal increase in number of employees.

Financial Cost

Financial cost increased by ₹ 241.77 lakhs from ₹ 157.72 lakhs in fiscal 2012 to ₹ 399.49 lakhs in fiscal 2013. The cause of increase in these financial costs was majorly due to increase in short term borrowings during the year.

Depreciation and Amortization Expenses

Depreciation expenses increased by ₹ 27.27 lakhs, from ₹ 16.40 lakhs in fiscal 2012 to ₹ 43.67 lakhs in fiscal 2013. This increase was due to the purchase of assets in the current fiscal.

Other Expenses

Other expenses decreased by ₹ 263.29 lakhs from ₹ 540.40 lakhs in fiscal 2012 to ₹ 277.12 lakhs in fiscal 2013. The cause of decrease in these expenses was majorly due reduction in research and development expenses and due to better management of administrative, selling and distribution expenses.

Profit before Tax

Due to operational efficiency and increase in total income our PBT increased by ₹ 402.63 lakhs from ₹ 460.01 lakhs in fiscal 2012 to ₹ 862.64 lakhs in fiscal 2013.

Profit after Tax

Our profit after tax increased by ₹ 176.37 lakhs from ₹ 336.00 lakhs in fiscal 2012 to ₹ 512.37 lakhs in fiscal 2013.

Fiscal 2012 compared with fiscal 2011

Income

Our total income increased by ₹ 11,061.05 lakhs or 62.89% from ₹ 17,587.64 lakhs in fiscal 2011 to ₹ 28,648.69 lakhs in fiscal 2012. The major factor for this increase was increase in export of cut & polished diamonds. Other income increased by ₹ 485.47 lakhs or 183.17%, from ₹ 265.03 lakhs in fiscal 2011 to ₹ 750.50 lakhs in fiscal 2012. The major factor for such increase was due to increase in interest income and increase in gain from foreign currency transactions.

Purchases

Purchases in fiscal 2012 were ₹ 28,111.97 lakhs as compared to ₹ 17,555.18 lakhs purchases in fiscal 2011, i.e. an increase of ₹ 10,556.79 lakhs which was due to increase in the scale of operations.

Employee Benefit Expenses

Our staff costs increased by ₹ 49.02 lakhs or 588.21%, from ₹ 8.33 lakhs in fiscal 2011 to ₹ 57.35 lakhs in fiscal 2012. This increase was mainly due to increase in number of employees.

Financial Cost

Financial cost increased by ₹ 92.86 lakhs from ₹ 64.86 lakhs in fiscal 2011 to ₹ 157.72 lakhs in fiscal 2012. The cause of increase in these financial costs was majorly due to increase in bank charges levied on our Company.

Depreciation Expenses

Depreciation expenses increased marginally by ₹ 11.32 lakhs, from ₹ 5.08 lakhs in fiscal 2011 to ₹ 16.40 lakhs in fiscal 2012 on account of purchase of fixed assets during the year.

Other Expenses

Other Expenses increased by ₹ 436.36 lakhs in fiscal 2012 from ₹ 104.04 lakhs in fiscal 2011 to ₹ 540.40 lakhs in fiscal 2012. The cause of increase in these expenses was majorly due to increase in research and development expenses and loss on foreign currency transactions.

Profit before Tax

Due to operational efficiency and increase in total income our PBT increased by ₹ 175.69 lakhs from ₹ 284.32 lakhs in fiscal 2012 to ₹ 460.01 lakhs in fiscal 2013.

Profit after Tax

Our profit after tax increased by ₹ 111.18 lakhs from ₹ 224.83 lakhs in fiscal 2011 to ₹ 336.00 lakhs in fiscal 2012.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the Section titled *"Financial Information"* and chapter titled *"Management's Discussion and Analysis of Financial Conditions and Results of Operations",* beginning on pages 117 and 155 respectively of this Draft Prospectus respectively, to our knowledge there are no Significant economic changes that materially affected or are likely to affect income from continuing Operations.

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

Other than as described in the chapter titled *"Risk Factors"* and *"Management's Discussion and Analysis of Financial Conditions and Result of Operations"*, beginning on pages 9 and 155 respectively of this Draft Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled *"Risk Factors"* beginning on page 9 of this Draft Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is a gems and jewellery based Company and is in the business of processing manufacturing and trading of diamonds and also in the textile business. Relevant industry data, as available, has been included in the chapter titled *"Industry Overview"* beginning on page 67 of this Draft Prospectus.

7. Status of any publicly announced new products or business segments

Please refer to the chapter titled *"Business Overview"* beginning on page 76 of this Draft Prospectus.

8. The extent to which the business is seasonal.

Our business is seasonal to the extent of increase in demand during festivals and marriage seasons which is concentrated in the 3rd and 4th quarters of the financial year.

9. Any significant dependence on a single or few suppliers or customers

The revenues from our top 10 customers constituted approximately 60.00% for FY 2014.

10. Competitive Conditions

Despite the fact that we are not affected by competition in the short-term, our results of operations could be affected by competition in the textile industry in India and in abroad in the future. We expect competition to intensify due to possible changes in government policy, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established fabric processing companies. This we believe may impact our financial condition and operations.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our Company's borrowings as September 30, 2014 together with a brief description of certain significant terms of such financing arrangements.

Nature of Borrowing	Amount (₹ in lakhs)
Secured Borrowings	7,275.13
Unsecured Borrowings	1,200.47
Total	**8,475.59**

Secured Borrowings

Name of Lender	Date of Financing Documents	Type of Facility	Amount Sanctioned (₹ in lakhs)	Amount Outstanding as on Sep 30, 2014 (₹ in lakhs)	Interest / Commission (p.a.)	Repayment / Tenor	Security
Union Bank of India	September 30, 2014	FDBP / FUDBP / AFUBC / Packing Credit	1500.00	1,495.37	Pre-shipment: BR + 1.25% Post-shipment: BR + 1%	12 months	• Full set of documents covering export of cut and polished diamonds under bills forwarded to bank and directed to drawees • Hypothecation of rough / cut and polished diamonds for exports • Office premises at 50, Sahyog Chambers, Mini Bazar, Varachha Road, Surat • Residential bungalow at A-38, Saifee Society, L. H. Road, Surat 6 • Union KBC Capital Protection Oriented Fund Series-I Growth – Folio No. 10065729 • DRCs in the name of the Company
Central Bank of India	January 29, 2014	CC – PC / PCFC / PSC / EBRD	2000.00	1,997.54	Pre-shipment & Post-shipment: 11%	12 months	• Hypothecation of stocks of rough diamonds, SIP, cut and polished diamonds, stores, spares, packing materials, etc. stored in factory premises in Surat, office premises at Mumbai • Hypothecation of book debts and receivables • Pari passu charge on EM of plot of land at Surat (Non-Agricultural land) admeasuring 54216 sq. mt. at Survey no. 41, Block no. 52, Village Devadh, Kumbharia Saniya Kande Bypass Road, Taluka – City – 3 (Navgam), Surat
IndusInd Bank Ltd.	July 29, 2013	Term Loan	470.00	443.57	Base Rate (11%) + 1.50% =	Repayable in 120 months,	First and exclusive charge on property located at – • Office no. 1001, 1019 and

Name of Lender	Date of Financing Documents	Type of Facility	Amount Sanctioned (₹ in lakhs)	Amount Outstanding as on Sep 30, 2014 (₹ in lakhs)	Interest / Commission (p.a.)	Repayment / Tenor	Security
					12.50% p.a.	EMI ₹ 6.81 locs	1020, 10th floor, Prasad Chambers, 719, Swadeshi Mill Compound, Opera House, Mumbai - 400004
ICICI Bank Ltd.	December 12, 2013	Term Loan (Non Residential Premises – ARHL)	795.00	766.36	10% p.a. or Base Rate as applicable at the time of disbursement	10 years (120 EMIs)	• Premises located at Unit No. 404, The Capital, Plot No. C-70, G Block, BKC, Bandra (E). • Such security as may be specified by ICICI Bank, from time to time at its sole discretion
Karnataka Bank Ltd.	April 02, 2014	Post Shipment Credit	1500.00	2,500.79	Pre-shipment: BR+ 1.25% Post-shipment (under LC): BR +1% Post-shipment (under Contract): BR +1.5%	12 months upto February 28, 2015	• Prime Security (for pre-shipment and post-shipment credit) - Hypothecation of exportable stock / advance paid to suppliers and goods covered under Export bills / Export receivables • Collateral security – Pari passu charges on EM of vacant land admeasuring 54216 sq. mt. at Survey no. 41, Block no. 52, Village Devadh, Kumbharia Saniya Kande Bypass Road, Taluka – City – 3 (Navgam), Surat owned by Mr. Ramesh Mangukiya and Mr. Dhanji Mangukiya • Guarantees of Directors of the Company and guarantee / co-obligation of Mr. Dhanji Mangukiya ECGC cover under ECIB – WTPC / WTPS
		Pre Shipment Facility	500.00				
	August 30, 2014	Adhoc Post Shipment credit NLC (DP / DA / Direct Bill Credit	500.00*			3 months	• All Stock of Raw materials, stock in process, semi finished goods, finished goods whatsoever both present & future, stored / stacked / installed / parked in the building bearing Door No. – a) 1001, Prasad Chambers, 10th Floor, Opera House, Mumbai - 400 004; b) 50, Sahyog Chambers, Mini Bazar, Varachha Road, Surat;

Name of Lender	Date of Financing Documents	Type of Facility	Amount Sanctioned (₹ in lakhs)	Amount Outstanding as on Sep 30, 2014 (₹ in lakhs)	Interest / Commission (p.a.)	Repayment / Tenor	Security
							c) 45-46, Mahatma Industrial Estate, Kapodra, Varachha Road, Surat, d) Gala no: 76, Diamond Nagar, Sonanujin Stn Road, Palitana, Gujarat; e) Navagam Road, Gariyadhar Bhavnagar; and or else where belonging to Perry Impex Limited • All present and future book debts, outstanding moneys, receivable claims, bills with benefit of all securities for the same and of all interest due and to become due in respect thereof and the benefit of all existing and future contracts, engagements
Syndicate Bank	June 13, 2014	PSC / EBR / AABC / AAUBC (LC / NLC)	2000.00	Nil	PCL and PSC: BR + 1.25% PCFC/ EBR: LIBOR + 350 bps + for	12 months	• First pari passu charge on entire Current assets of the Company including stock, rough and polished diamonds, stock in process, and receivables • For discount / purchase / advance against export bills on DA / DP basis sent through Banks. • First pari passu charge on Non agricultural land admeasuring 5, 82,623 sq. ft. situated at Survey no. 41, Block 52 of Kumbharia saniya kande by pass road, Village Devadh, Surat owned by Mr. Ramesh Mangukiya and Mr. Dhanji Mangukiya
HDFC Bank Limited	February 23, 2013	Business Loan	30.00	16.81	16.25%	36 monthly EMIs	N.A.
Standard Chartered Bank	November 11, 2011	Business Loan	30.00	0.74	17.00%	36 months EMI	N.A.
Standard Chartered Bank	February 15, 2013	Business Loan	31.00	16.59	17.00%	36 months EMI	N.A.

*This facility was valid until 3 months from the date of sanction and is now settled.

Details of Vehicle Loans

(₹ in lakhs)

Name of the Lender	Agreement / Sanction Letter Date	Sanctioned Amount (₹ in lakhs)	Outstanding Amount as on Sept 30, 2014 (₹ in lakhs)	Rate of Interest (%)	Repayment Schedule	Security Created
Kotak Mahindra Prime Ltd	February 26, 2013	88.50	37.35	16.25%	Repayable in 36 monthly installments	• BMW GJ05CS5207 • MERCEDES BENZ GJ05CQ0207 • CAPTIVA MH01AX3207

Details of Unsecured Borrowings:

(₹ in lakhs)

Name of Lender	Type of Loan	Date of Sanction	Amount Sanctioned	Outstanding Amount as on Sept 30, 2014 (₹ in lakhs)	Interest (in % p.a.)	Repayment Schedule	Security
Rasik Mangukiya	Business Loan	N.A.	720.47	720.47	N.A.	Repayable on demand	N.A.
Ramesh Mangukiya	Business Loan	N.A.	479.99	479.99	N.A.	Repayable on demand	N.A.

Corporate Actions

During the currency of the facilities, without prior approval of the Lender which shall not be unreasonably withheld, the Borrower (Perry Impex Ltd.) shall:

- ✓ Utilise the entire loan for the purpose declared by the Borrower and indicated by him in his loan application and for no other purpose whatsoever.
- ✓ Notify the Bank in writing, any change in his employment, change of business, constitution of firm / company, or profession, as the case may be within seven days of the change
- ✓ Not stand any surety for anybody or guarantee the repayment of any loan or the purchase price of any asset without the permission of the Bank
- ✓ Not leave India for employment or business or either permanently or for long term stays abroad without fully repaying the loan as on then outstanding together with interest and other dues and charges including prepayment charges as per the policy of the Bank then in force.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoter and our Group Entities that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.

PART I: CONTINGENT LIABILITIES OF OUR COMPANY

Particular	Amount (₹ in lakhs)
Guarantees given to banks in respect of credit facilities sanctioned	2,174.00
Total	**2,174.00**

Source: Restated Standalone Auditors Report

PART II: LITIGATION RELATING TO OUR COMPANY

(A) CASES FILED BY OUR COMPANY

1. Litigation involving Civil Laws

Nil

2. Litigation involving Criminal Law

Nil

3. Litigation involving Securities and Economic Laws

Nil

4. Litigation involving Statutory Laws

Nil

5. Litigation involving Labour Laws

Nil

(B) CASES FILED AGAINST OUR COMPANY

1. Litigation involving Civil Laws

Nil

2. Litigation involving Criminal Law

Nil

3. Litigation involving Securities and Economic Laws

Nil

4. **Litigation involving Statutory Laws**

Nil

5. **Litigation involving Labour Laws**

Nil

(C) PAST PENALTIES

Nil

PART III: LITIGATION RELATING TO OUR SUBSIDIARIES

(A) CASES FILED AGAINST OUR SUBSIDIARIES

1. **Litigation involving Civil Laws**

Nil

(B) CASES FILED BY OUR SUBSIDIARIES

1. **Litigation involving Civil Laws**

Nil

2. **Petition before the Company Law Board**

Nil

(C) PAST PENALTIES

Nil

PART IV: LITIGATION RELATING TO OUR DIRECTORS

(A) LITIGATION AGAINST OUR DIRECTORS

1. **Litigation involving Civil / Statutory Laws**

Nil

2. **Litigation involving Criminal Laws**

Nil

3. **Litigation Involving Economic Offenses**

Nil

4. **Litigation involving tax liabilities**

Nil

(B) LITIGATION FILED BY OUR DIRECTORS

Nil

(C) <u>PAST PENALTIES</u>

Nil

PART V: LITIGATION RELATING TO OUR PROMOTERS

(A) LITIGATION AGAINST OUR PROMOTERS

1. Litigation involving Civil / Statutory Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation Involving Securities and Economic Laws

Nil

(B) LITIGATION FILED BY OUR PROMOTERS

1. Litigation involving Civil / Statutory Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation Involving Securities and Economic Laws

Nil

(C) PAST PENALTIES

Nil

PART VI: LITIGATION RELATING TO OUR GROUP ENTITIES

(A) LITIGATION AGAINST OUR GROUP ENTITIES

1. Litigation involving Civil Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation Involving Securities and Economic Laws

Nil

(B) LITIGATION FILED BY OUR GROUP ENTITIES

1. Litigation involving Civil Laws

Nil

2. **Litigation involving Criminal Laws**

Nil

3. **Litigation Involving Securities and Economic Laws**

Nil

(C) PAST PENALTIES

Nil

PART VII: LEGAL NOTICES

1. **Legal notices issued to our Company**

- Our Company has received letter under section 148 of the Income Tax Act, 1961 seeking clarification on return of income filed for AY 2011-2012. The Assessment process is under-way and the final Assessment Order for the year is awaited.

- M/s Perry Impex, the erstwhile entity of the Promoters has received notice under section 148 of the Income Tax Act, 1961 for AY 2007- 2008. The Assessment process is under-way and the final Assessment Order for the year is awaited.

- Our Company has received letter under section 143(2) of the Income Tax Act, 1961 seeking clarification on return of income filed for AY 2013-2014. The Assessment process is under-way and the final Assessment Order for the year is awaited.

- Our Company has received letter under Rule 9 – A of the Central Sales Tax (Bombay) Rules, 1957 for sales tax returns filed for the period of April 01, 2011 to March 31, 2012. The Assessment process is under-way and the final Assessment Order for the year is awaited.

2. **Legal Notices issued by our Company**

Nil

3. **Legal Notices issued to our subsidiaries**

Nil

4. **Legal Notices issued by our subsidiaries**

Nil

5. **Legal Notices issued to our Group Companies**

Nil

6. **Legal Notices issued by our Group Companies**

Nil

PART VIII: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

There are no outstanding dues payable to Small scale industries and other creditors amounting to ₹ 1 lakh or more which are pending for more than 30 (thirty) days from the due date.

PART IX: MATERIAL DEVELOPMENTS

In the opinion of the Board of Directors of our Company, since the date of the last audited financial statements disclosed in this Draft Prospectus there have not arisen, 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 AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further important approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.

The following statement sets out the details of licenses, permissions and approvals taken by us under various central and state laws for carrying out business.

I. APPROVALS PERTAINING TO THIS ISSUE

1. The Board of Directors have, pursuant to Section 62 (1)(c) of the Companies Act, 2013 by a resolution passed at its meeting held on November 05, 2014 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.

2. The shareholders of our Company have, pursuant Section 62 (1)(c) of the Companies Act, 2013 by a special resolution passed in the Extra-Ordinary General Meeting held on December 17, 2014 authorized the further issue of Equity Shares.

3. Our Company has obtained listing approval from the SME platform of the BSE dated [●].

II. INCORPORATION DETAILS

1. Certificate of Incorporation dated July 22, 2010 issued by the Registrar of Companies, Mumbai in the name of “Perry Impex Private Limited” bearing CIN U36911MH2010PTC205838.

2. Fresh Certificate of Incorporation dated November 03, 2014 issued by the Registrar of Companies, Mumbai consequent upon change of name from “Perry Impex Private Limited” to “Perry Impex Limited” on conversion into a public limited company, bearing CIN U36911MH2010PLC205838.

III. TAXATION / REVENUE DEPARTMENT RELATED REGISTRATIONS

Our company has obtained the following registrations for taxation and related items applicable to us:

Sr. No.	Type of Registration	Registration Number / Code no.
1	Permanent Account Number	AAFCP5705P
2	Tax Deduction Account Number	MUMP29306E
3	Value Added Tax-Tax Payer Identification Number*	27230786152V
4	Central Sales Tax-Tax Payer Identification Number*	27230786152C
5	Professional Tax employer -Tax Identification Number*	99471780634P
6	Professional Tax employer -Tax Identification Number	99450403148P
7	PT Employee-Tax Identification Number*	27230786152P
8	Provident Fund code*^	SRSRT0034617000

Note: All of the above registrations are valid until cancelled.
** The company has not yet received a revised certificate for the same pursuant to change in name.*
^ The company has misplaced the original allotment certificate; and the registration number is being quoted based on challans and other relevant routine operational documents.

IV. OTHER KEY APPROVALS OBTAINED BY THE COMPANY RELATED TO OUR BUSINESS

Some of the key major approvals obtained by us in relation to our business activities are as follows-

1) Registration cum Membership Certificate as a Manufacturer and Exporter bearing No. GJC/REGN/MFG/HO-MUM(M)/G12228/2010-2015 dated October 05, 2010 with the Gem and Jewellery Export Promotion Council. The same is valid up to March 30, 2015.

2) Certificate of Importer-Exporter Code bearing no. 0310031834 originally issued on August 12, 2010 by the office of the Additional Director of Foreign Trade and re-issued on November 13, 2014 for change in name purpose.

3) Registration Certificate of Establishment Bearing Registration No.760390676/COMMERCIAL II under the Maharashtra Shops and Establishments Act,1948 dated May 23,2014 for the office of the company situated at 404, B-Wing, The Capital, BKC, Bandra (East) Mumbai - 400051. The same is valid till December 31, 2017.

4) Registration Certificate of Establishment Bearing No.0016340/COMMERCIAL II under the Maharashtra Shops and Establishments Act, 1948 dated September 01, 2006 for the office of the company situated at 1001 & 1020, Prasad Chambers, Opera House, Mumbai-400004. The same is valid up to December 31, 2016. The company has not yet received a revised certificate for the same pursuant to change in name.

5) Registration Certificate of Establishment Bearing No. EZ / S / Navagam / 425802 issued by the Surat Municipal Corporation under the Bombay Shops and Establishments Act, 1948 dated December 16, 2014 for the office of the company situated at 50, Sahyog chambers, Minibazar, Varachha Road, Surat.

6) Letter of Approval bearing no. SSEZ/II/26/2009-10/1299 dated March 19, 2010 issued by the Office of the Development Commissioner, Surat SEZ authorizing our operations, namely, manufacturing and trading of Diamonds, Colour Gem Stones, Jewellery of Gold, Silver, Platinum, Palladium, Plain and Studded Diamonds, Colour gem stones and medallions of Precious Metals at Plot No. 9, Surat SEZ, Sachin, Surat. The same is valid upto 5 years.

7) Certificate of Recognition of Trading House bearing Status holder no.03/16/0242/140730 issued by Additional DGFT dated July 30,2014 under FTP 2009-2014. The same is valid for April 1, 2014 to March 31, 2019.

8) Industrial Entrepreneurs' Memorandum bearing no. EM22402211023304 issued by District Industries Centre, Surat dated December 30, 2014 having 'MICRO' Category to Manufacture Diamond Cutting and Polishing at 50, Sahyog Chambers, Mini Bazaar, Varachha, Surat – 395 006.

9) Industrial Entrepreneurs' Memorandum bearing no. EM22402211251982 issued by District Industries Centre, Surat dated December 30, 2014 having 'MICRO' Category to Manufacture Diamond Cutting and Polishing at Plot No. 403/2 Pai, Behind Tarankund, Opposite Mukesh Dying, Vastadevi Road, Katargam, Surat – 395 004.

10) Industrial Entrepreneurs' Memorandum bearing no. EM22401411002918 issued by District Industries Centre, Bhavnagar dated January 22, 2015 having 'MICRO' Category to Manufacture Diamond Cutting and Polishing at 76, Diamond Nagar, Near Jakatnaka, Bhavnagar Road, Palitana, Bhavnagar – 364 270.

11) Industrial Entrepreneurs' Memorandum bearing no.EM22401411002921 issued by District Industries Centre, Bhavnagar dated January 22, 2015 having 'MICRO' Category to Manufacture Diamond Cutting and Polishing at AT & PO Gariyadhar, Navagam Road, Gariadhar.Bhavnagar-364275.

12) Factory Licence bearing Registration no. 3663/36912/2015 and Licence no. 20370 dated March 11, 2015 issued by Directorate Industrial Safety & Health Joint Regulatory Authority, Surat–Govt. of Gujarat for use a factory at 2nd Floor, Survey No. 403/2, Paikee, Vastadevdi Road, Katatgaon, Surat.

V. APPROVALS NOT OBTAINED BY THE COMPANY AS ON DATE

Following are the important government approvals and licenses which we would need for our business, but we have not obtained the same as on date of this Draft Prospectus:

1) **Registration under Factories Act:**

Since the cutting and polishing of diamonds is considered by many in the industry as not being part of a value added manufacturing activity; it is a common trend to not register under the Factories Act. However, on the conservative side, we have decided to obtain Factories Act registration for our units as explained under:

Sr. No.	Unit Particulars	Status of Factories Act Registration
1	Unit at Palitana	The company is in the process of making an application.
2	Unit at Gariyadhar	The company is in the process of making an application.
3	Unit at SEZ (Surat)	Since the approval is taken from relevant SEZ; a separate Factories Act registration is not applicable.

2) Registration under ESIC laws:

The units situated at Palitana and Gariyadhar are not within the applicable areas of the ESIC laws and hence we do not need to apply for the same. However, ESIC shall apply to our new unit at Surat and the company is in the process of ascertaining the same and applying for the same.

3) Registration of Trade mark under Trade Marks Act, 1999

S. No.	Particulars of Mark	Date of Application	Application No.	Class	Goods / Services in respect of which Application has been made
(i)	PERRY IMPEX PVT. LTD.	December 04, 2013	2637434	14	Manufacturing and trading of precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes, jewellery, precious stones, watches, diamond, horological and chronometric instruments
(ii)	PERRY IMPEX PVT. LTD.	December 04, 2013	2637435	35	Providing services in relation to marketing, advertising, on line trading to facilitate the sale of goods by others via a computer network, retail outlets or stores, retailing wholesale, distributing, import export services, retail services in relation to jewellery, precious stones, diamonds and watches

The company is in the process of making an application with the Trademark Registry, for modification of logo consequent to conversion to a Public Limited Company.

SECTION VIII – OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have vide resolution dated November 05, 2014 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1)(c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held on December 17, 2014 in accordance with the provisions of Section 62 (1)(c) of the Companies Act, 2013.

The Company has obtained approval from BSE vide letter dated [●] to use the name of BSE in this Offer Document for listing of equity shares on the SME platform of the BSE. BSE is the designated stock exchange.

Prohibition by SEBI, the RBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters and entities forming part of our Promoter Group from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI.

We further confirm that none of our Company, its Promoters, its Group Companies or the relatives of our Promoters and Group Companies was ever identified as wilful defaulters by RBI or other authorities.

Association with Securities Market

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled "*Risk Factors*", "*Our Promoter, Promoter Group and Group Companies*" and "*Outstanding Litigations and Material Developments*" beginning on pages 9, 110 and 169 respectively, of this Draft Prospectus.

Eligibility for the Issue

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

This Issue is being made in terms of Regulation 106 (M) (2) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital is more than ten crore rupees and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE).

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 the said underwriting please see "*General Information- Underwriting*" on page 40 of this Draft 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 within such time which shall be prescribed by the SEBI. If the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of thirty days from the date of issue of the prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (3) of Section 39 shall be returned within such time and manner as may be prescribed under the Companies Act, 2013.

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

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 see "*General Information- Details of the Market Making Arrangements for this Issue*" on page 40 of this Draft Prospectus.

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

e) Our Company has Net Tangible assets of at least ₹ 1 crore as per the latest audited financial results

f) The Net worth (excluding revaluation reserves) of our Company is at least ₹ 1 crore as per the latest audited financial results

g) Our Company has track record of distributable profits in terms of sec. 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months.

h) The distributable Profit, Net tangible Assets and Net worth of our Company as per the Standalone restated financial statements for the year ended as at March 31, 2014, 2013 and 2012 is as set forth below:

(₹ in lakhs)

Particulars	Fiscal 2014		Fiscal 2013 (Standalone)	Fiscal 2012 (Standalone)
	Consolidated	Standalone		
Distributable Profit[(1)]	937.22	961.35	512.37	224.83
Net tangible Assets[(2)]	3,882.11	3,911.48	2,510.93	2,059.58
Net Worth[(3)]	3,887.36	3,911.48	2,510.93	2,059.58

(1) Distributable profits have been computed in terms section 123 of the Companies Act, 2013.
(2) Net Tangible Assets are defined as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long term liabilities excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.
(3) Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.

i) As on the date of this Draft Prospectus, our Company has a paid up capital of ₹ 850 lakhs (₹ 8.5 crores), which is in excess of ₹ 1 crore, and the Post Issue Capital shall also be in excess of ₹ 1 crore.

j) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR) and there is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed

k) There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application to BSE for listing on SME segment

l) Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.

m) We have a website: www.perryimpex.com

Disclosure

The Issuer, our Promoters, Promoter Group and the members of our Group Companies have confirmed that they have not been identified as wilful defaulters by the RBI or any other Governmental Authority.

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, ARYAMAN FINANCIAL SERVICES 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, ARYAMAN FINANCIAL SERVICES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 26, 2015 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 AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE "MAIN OBJECTS" LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 (SECTION 40 OF COMPANIES ACT, 2013) AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE.

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE.

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:

A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, AND

B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR (PLEASE SEE "ANNEXURE A" FOR FURTHER DETAILS).

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

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 MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

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

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.

2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.

3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE

4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.

5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS.

6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

Disclaimer Clause of the SME Platform of BSE

As required, a copy of the Draft Prospectus shall be submitted to the SME Platform of BSE. The Disclaimer Clause as intimated by the SME Platform of BSE to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with ROC.

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.

CAUTION

The Lead Manager accept 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 March 10, 2015, the Underwriting Agreement dated March 16, 2015, entered into among the Underwriters and our Company and the Market Making Agreement dated March 16, 2015, entered into among the Market Maker, Lead Manager 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 centres 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 not minors), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Prospectus does not, however, constitute an offer to sell or 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 the Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. 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 (O) (1). However, a copy of the Prospectus shall be filed with SEBI at Corporation Finance Department, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

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

Listing

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining In-Principle approval of the SME Platform of BSE. However, application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the prospectus. The allotment letters shall be issued or application money shall be refunded within fifteen days from the closure of the issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period 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.

The Company has obtained approval from BSE vide letter dated July 01, 2014 to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE.

Price Information of past issues handled by the Lead Manager

S. No	*Issue Name*	*Issue size (₹ in lakhs)*	*Issue Price (₹)*	*Listing date*	*Opening price on listing date (₹)*	*Closing price on listing date (₹)*	*% Change in Price on listing date (Closing) vs. Issue Price*	*Benchmark index on listing date (Closing)*	*Closing price as on 10th calendar day from listing day*	*Benchmark index as on 10th calendar day from listing day (Closing)*	*Closing price as on 20th calendar day from listing day*	*Benchmark index as on 20th calendar day from listing day (Closing)*	*Closing price as on 30th calendar day from listing day*	*Benchmark index as on 30th calendar day from listing day (Closing)*
1	Vishal Fabrics Ltd.	1,563.30	45.00	20/08/14	45.20	46.90	4.22%	26,314.29	48.00	26,638.11	51.50	27,057.41	50.50	27,090.42
2	Dhanuka Commercial Ltd.	444.00	10.00	11/06/14	9.75	9.75	(2.50)%	25,473.89	8.90	25,105.51	8.75	25,516.35	9.75	25,024.35
3	Karnimata Cold Storage Ltd.	303.60	20.00	18/03/14	29.05	30.00	50.00%	21,832.61	22.15	22,339.97	22.15	22,343.45	22.15	22,628.84
4	Suyog Telematics Ltd.	453.00	25.00	22/01/14	25.20	25.25	1.00%	21,337.67	25.20	20,513.85	25.00	20,363.37	25.50	20,700.75
5	Stellar Capital Services Ltd.	900.00	20.00	01/11/13	20.10	19.10	(4.50)%	21,196.81	16.90	20,666.15	15.30	20,635.13	14.55	20,791.93
6	S R G Securities Finance Ltd.	501.60	20.00	29/10/13	23.90	24.25	21.25%	20,929.01	20.50	20,666.15	20.10	20,850.74	20.00	20,425.02
7	Kushal Tradelink Ltd.	2,774.80	35.00	04/09/13	35.00	35.80	2.29%	18,567.55	35.30	19,732.76	35.30	19920.21	43.10	19915.95
8	India Finsec	600.00	10.00	11/06/13	10.00	10.50	5.00%	19,143.00	9.55	19,245.70	10.00	18,629.15	10.00	18,629.15

S. No	Issue Name	Issue size (₹ in lakhs)	Issue Price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
	Ltd.													
9	SRG Housing Finance Ltd.	700.80	20.00	11/09/12	20.30	20.30	1.50%	17,852.95	21.00	18,349.25	20.15	18,823.91	20.10	18,804.75
10	Jupiter Infomedia Ltd.	408.00	20.00	16/08/12	22.00	22.05	10.25%	17657.21	21.95	17,783.21	22.40	17,313.34	23.15	18,464.27

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in lakhs)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2014-15(1)	2	2007.30	-	-	1	-	-	1	-	-	1	-	-	1
2013-14	6(2)	5,533.00	-	-	1	-	1	4	-	1	-	-	-	3
2012-13	4(3)	7,115.68	-	-	-	-	-	3	-	-	1	-	-	1
2011-12	1(4)	885.00	-	-	-	-	-	1	-	-	-	-	-	-

(1) Details indicated in 2014-15 are for the IPOs completed as on date
(2)As on the 30th Calendar day from the listing day, the price of India Finsec Limited and S R G Securities Finance Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.
(3) As on the listing day, the price of Sangam Advisors Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount; As on the 30th Calendar day from the listing day, the price of SRG Housing Finance Ltd. and Sangam Advisors Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.
(4) As on the 30th Calendar day from the listing day, the price of BCB Finance Limited is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

Notes:
(a) In case the 10th, 20th and 30th calendar day from the date of listing is a holiday, or if the stock was not traded on the said calendar days from the date of listing, the share price and benchmark index is taken of the immediately preceding working day.
(b) BSE SENSEX has been considered as the benchmark index.

Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of the Lead Manager – *www.afsl.co.in.*

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Statutory Auditors, Bankers to the Company; and (b) the Lead Manager, Escrow Collection Bankers, Refund Banker, Peer Review Auditor, 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 Section 32 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, 2013 and the SEBI (ICDR) Regulations, M/s. Ravi Seth & Co., Chartered Accountants, Statutory Auditors, have provided their written consent to the inclusion of their reports dated March 18, 2015 on Restated Financial Statements and report dated March 18, 2015 on Statement of Tax Benefits, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus.

Expert Opinion

Except for the below stated reports and certificate included in the Prospectus, our Company has not obtained any expert opinions:

1. Statutory Auditor – Statement of Tax Benefits
2. Statutory Auditor – Restated Financial Statements

ISSUE RELATED EXPENSES

The expenses of this Issue include, among others, underwriting and management fees, Market Making Fees, selling commissions, SCSB's commission/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees is given below:

Sr. No.	Particulars	Amount (₹ in lakhs)
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.	44.50
2	Printing & Stationery, Distribution, Postage, etc.	2.50
3	Advertisement and Marketing Expenses	3.00
4	Regulatory and other Expenses	5.00
	Total	**55.00**

Commission Payable to Non Syndicate Registered Brokers

Subject to the cap as mentioned below, the commission payable to the Non Syndicate Registered Brokers shall be as follows:

- Size of the Bid cum Application Form Commission Payable up to ₹ 100,000: ₹ 10 per Bid cum Application Form which is considered eligible for Allotment in the Issue.
- Greater than ₹ 100,000: ₹ 15 per Bid cum Application Form which is considered eligible for Allotment in the Issue.

The total Non Syndicate Registered Broker Commission to be paid to the Non Syndicate Registered Brokers for the Bid cum Application Forms procured by them which are considered eligible for Allotment in the Issue ("Eligible Bid cum Application Forms") calculated as per the table above, shall be capped at 0.25% and 0.15% of the product of the number of Equity Shares Allotted to Retail Individual Investors and Non-Institutional Investors, respectively, and the Issue Price in relation to the Eligible Bid cum Application Forms procured by them (the "Maximum Brokerage"). In case the total Non Syndicate Registered Broker Commission payable to the Non Syndicate Registered Brokers exceeds the Maximum Brokerage, then the commission paid to the Non Syndicate Registered Brokers per Eligible Bid cum Application Form as per the table above would be proportionately adjusted such that the total Non Syndicate Registered Broker Commission payable to them does not exceed the Maximum Brokerage. The terminal from which the Bid has been uploaded will be taken into account in order to determine the commission payable to the relevant Non Syndicate Registered Broker. The Non Syndicate Registered Broker Commission payable to Non Syndicate Registered Brokers shall be inclusive of all taxes.

Fees, Brokerage and Selling Commission Payable to the Lead Manager

The total fees payable to the Lead Manager (including underwriting commission and selling commission) is as stated in the MOU dated March 10, 2014, the Underwriting Agreement dated March 16, 2015 and the Market Making Agreement dated March 16, 2015 among the Company and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company and the Registrar to the Issue dated November 13, 2014.

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

Capital Issue during the last three years

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

Previous Public and Rights Issues

We have not made any previous rights and public issues, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

Previous Issues of Equity Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” beginning on page 43 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than for cash.

Commission and Brokerage Paid on Previous Issues of our Equity Shares

Since this is an 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.

Companies under the same Management

There are no companies under the same management within the meaning of section 370 (1B) of the Companies Act, 1956, that has made any public issue (including any rights issues or composite issues to the public) during the last three years.

Promise v. Performance – Associates

Our Company and its Promoter Group have not made any previous rights and public issues.

Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

Stock Market Data for our Equity Shares

This being an initial public issue of the Company, the Equity Shares of the Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Company has appointed M/s Sharex Dynamic (India) Pvt. Ltd. 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 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.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on December 26, 2014 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Grievance Committee is as follows:

Name of the Member	Nature of Directorship	Designation in Committee
Bharat Kakadiya	Non Executive Independent Director	Chairman
Rasik Mangukiya	Managing Director	Member
Mahesh Vaghani	Non Executive Independent Director	Member

For further details, please see the chapter titled "*Our Management*" beginning on page 98 of this Prospectus.

The Company has also appointed Mr. Darshit Parikh as the Company Secretary and Compliance Officer for this Issue and he may be contacted at the Corporate Office of our Company. The contact details are as follows:

Name: Darshit Parikh
Address: 404, 4th Floor, The Capital, BKC, Bandra (E), Mumbai – 400 051
Tel. No.: +91 – 22 – 40931111; Fax No.: +91 - 22 – 40931199; Email: info@perryimpex.com

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

Status of Investor Complaints

We confirm that we have not received any investor compliant during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Disposal of Investor Grievances by Listed Companies under the same Management as the Company

No company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act, 1956 has made any public issue (including any rights issues to the public) during the last three years and hence there are no pending investor grievances.

Change in Auditors

Our Company has changed the Statutory Auditors, appointing M/s. Ravi Seth & Co., Chartered Accountants in place of M/s. S. K. Motani & Co., Chartered Accountants vide Resolution passed in the EGM dated September 27, 2014.

Capitalisation of Reserves or Profits

Except as stated in the chapter titled "*Capital Structure*" beginning on page 43 of this Draft Prospectus, our Company has not capitalised our reserves or profits during the last five years.

Revaluation of Assets

We have not revalued our assets in the last 5 years.

SECTION IX – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the 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 this 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.

Authority for the Issue

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on November 05, 2014 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extra-Ordinary General Meeting held on December 17, 20014 in accordance with the provisions of Section 62 (1)(c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the section titled *"Main Provisions of the Articles of Association of our Company"* beginning on page 216 of this Draft Prospectus.

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 see the chapter titled *"Dividend Policy"* beginning on page 116 of this Draft Prospectus.

Face Value and Issue Price

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Draft Prospectus at the price of ₹55 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled *"Basis for Issue Price"* beginning on page 57 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- ✓ Right to receive dividend, if declared;
- ✓ Right to attend general meetings and exercise voting rights, unless prohibited by law;
- ✓ Right to vote on a poll either in person or by proxy;
- ✓ Right to receive offer for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation;
- ✓ Right of free transferability; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled *"Main Provisions of Articles of Association of our company"* beginning on page 216 of this Draft Prospectus.

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.

As per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialized form only.

Trading of the Equity Shares will happen in the minimum contract size of 2,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 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 Issue will be done in multiples of 2,000 Equity Share subject to a minimum allotment of 2,000 Equity Shares to the successful applicants.

Minimum Number of Allottees

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 12 Working days of closure of issue.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, 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 Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

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 2,000 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 see the section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 216 of this Draft Prospectus.

Option to receive Equity Shares in Dematerialized Form

As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialized 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 Dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Platform of BSE.

Migration to Main Board

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which 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 fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

- If the Paid up Capital of the company is more than ₹ 10 crores but below ₹ 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 issued through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of BSE.

For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker, please see the chapter titled *"General Information - Details of the Market Making Arrangement for this Issue"* beginning on page 40 of this Draft Prospectus.

New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra. 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 Regulation S 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 XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital is more than ten crore rupees and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on pages 188 and 194 respectively, of this Draft Prospectus.

Following is the issue structure:

Public issue of 31,00,000 Equity Shares of ₹ 10 each (the "Equity Shares") for cash at a price of ₹ 55 per Equity Share (including a Share premium of ₹ 45 per Equity Share) aggregating to ₹ 1,705.00 lakhs ("the Issue") by Perry Impex Limited ("PIL" or the "Company" or the "Issuer").

The issue comprises a Net Issue to Public of 29,20,000 Equity Shares of ₹ 10 each ("the Net issue"), and a reservation of 1,80,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	29,20,000 Equity Shares	1,80,000 Equity Shares
Percentage of Issue Size available for allocation	94.19% of the Issue Size	5.81% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 2,000 Equity Shares and further allotment in multiples of 2,000 Equity Shares each.	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 2,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000. *For Retail Individuals:* 2,000 Equity Shares	1,80,000 Equity Shares
Maximum Application Size	*For QIB and NII:* Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Size does not exceed 29,20,000 Equity Shares. *For Retail Individuals:* Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000.	1,80,000 Equity Shares
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	2,000 Equity Shares	2,000 Equity Shares, However the

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
		Market Maker may buy 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 allocation to applications below or equal to ₹ 2 lakhs and the balance for higher amount applications.*

Withdrawal of the Issue

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

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 Draft 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 Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Issue Programme

ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]

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 Centres 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

This Issue is being made under Regulation 106 (M) (2) of Chapter XB of SEBI (ICDR) 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 them to 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 based on technical grounds only.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic application system of the stock exchanges by the Brokers (including sub-brokers) do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Applicants are required to ensure that the PAN (of the sole/ first Applicant) provided in the Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

Application Form

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA and Non-ASBA)	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA and Non-ASBA)	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?

1. Indian nationals resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);

2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: ―Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;

3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in equity shares;

4. Mutual Funds registered with SEBI;

5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;

6. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);

7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;

8. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applications portion;

9. VCFs registered with SEBI;

10. FVCIs registered with SEBI;

11. Eligible QFIs;

12. Multilateral and bilateral development financial institutions;

13. State Industrial Development Corporations;

14. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;

15. Scientific and/or industrial research organizations authorized in India to invest in equity shares;

16. Insurance companies registered with Insurance Regulatory and Development Authority;

17. Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;

18. Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;

19. Limited liability partnerships;

20. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;

21. Nominated Investor and Market Maker

22. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India

23. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Applications not to be made by:

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

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.

Participation by Associates of Lead Manager

Except for the Underwriting Obligations, the Lead Manager shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the Lead Manager may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis.

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/ Institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), Trusts (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

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.

Multiple Applications: In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

Applications by Eligible NRIs/FIIs 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 Draft 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 Lead Manager that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

Applications by Eligible QFIs

The RBI in its circular dated January 13, 2012 has permitted Eligible QFIs to purchase equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest through SEBI registered qualified depositary participants ("DP") in equity shares of Indian companies which are offered to the public in India in accordance with SEBI regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap.

SEBI in its circular dated January 13, 2012 has specified among other things eligible transactions for Eligible QFIs (which includes purchase of equity shares in public issues to be listed on recognised stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors with respect to margins, voting rights, public issues etc.

Eligible QFIs are required to instruct their DPs to make the application on their behalf for the Issue. DPs are advised to use the Application Form meant for Non-Residents (blue in colour). DPs are required to utilise the ASBA process to participate in the Issue.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

Applications by SEBI registered Venture Capital Funds 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, whilst 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 Investors can invest only up to 33.33% of the investible funds 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, as amended ("LLP Act") a certified copy of certificate of registration issued under the LLP Act 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 Scheme) (5th Amendment) Regulations, 2013, 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 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets in all companies belonging to the group; and

c) The industry sector in which the investee company operates: the least of 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets.

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, i.e. December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

Application by Provident Funds/ Pension Funds

In case of applications made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 2500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

Application under Power of Attorney

In case of applications made pursuant to a power of attorney by Limited Companies, Corporate Bodies, Registered Societies, Mutual Funds, Eligible QFIs, Insurance Companies and Provident Funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 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 ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 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 Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that 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 2,000 Equity Shares and in multiples of 2,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

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 ₹ 2,00,000 and in multiples of 2,000 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. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Applications (both in terms of number of Equity Shares applied for and Application Amount) at any stage and are required to pay the entire Application Amount upon submission of the Application.**

The identity of QIBs applying in the Net Issue under the QIB Portion shall not be made public during the subscription Period. In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft 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 Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.

c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the Corporate Office of the Lead Manager.

d) Applicants who are interested in subscribing for the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.

e) Applications made in the name of Minors (except through their Legal Guardians) 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.

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 Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on http://www.sebi.gov.in. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The Application Form shall bear the stamp of the SCSBs and if not, the same shall be rejected.

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 Lead Manager. 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 authorize 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.

ESCROW MECHANISM

For details of the escrow mechanism and payment instructions, see chapter titled *"Issue Procedure – Payment Instructions"* on page 205 of this Draft Prospectus.

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Broker / Sub Broker and SCSBs will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Brokers and the SCSBs, (ii) the Applications uploaded by the Brokers and the SCSBs, (iii) the Applications accepted but not uploaded by the Brokers and the SCSBs or (iv) with respect to ASBA Applications, Applications accepted and uploaded without blocking funds in the ASBA Accounts.

2. The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs and (iv) with respect to Applications by ASBA Applicants, Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by the SCSBs, the full Application Amount has been blocked in the relevant ASBA Account.

3. In case of apparent data entry error either by the Broker / Sub Broker or the collecting bank in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).

4. The Brokers / Sub Brokers and SCSBs will undertake modification of selected fields in the Application details already uploaded within one Working Day from the Issue Closing Date.

5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Brokers and the SCSBs during the Issue Period. The Brokers / Sub Brokers and the Designated Branches can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Issue Closing Date, the Brokers and the Designated Branches shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Brokers / Sub Brokers on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

6. At the time of registering each Application and each ASBA Application submitted by an ASBA Applicant, the Brokers and the Designated Branches shall enter the following details of the investor in the on-line system, as applicable:

   - Name of the Applicant
   - IPO Name
   - Application Form number
   - Investor Category;
   - PAN (of First Applicant, if more than one Applicant);
   - DP ID of the demat account of the Applicant;
   - Client Identification Number of the demat account of the Applicant;
   - Numbers of Equity Shares Applied for;
   - Cheque Details in case of Applications other than ASBA Application and Bank Account details in case of ASBA Applicants;
   - Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
   - Bank account number.

   In case of submission of the Application by an ASBA Applicant through the Electronic Mode, the ASBA Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.

7. A system generated TRS will be given to the Applicant as a proof of the registration of the application. It is the Applicant's responsibility to obtain the TRS from the Brokers / Sub Brokers or the Designated Branches. The registration of the Application by the Brokers / Sub Brokers or the Designated Branches does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

8. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.

10. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

11. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Brokers / Sub Brokers will be given up to one day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's

records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Beneficiary Account Number and PAN, then such Applications are liable to be rejected.

SIGNING OF UNDERWRITING AGREEMENT AND ROC FILING

Our Company and the Underwriters shall enter into an Underwriting Agreement as per the terms of Regulation 106P of the SEBI (ICDR) Regulations, 2009 amendments thereto from time to time.

Filing of the Prospectus with the RoC

Our Company will file a copy of the Prospectus with the RoC at 100, Everest, Marine Drive, Mumbai – 400002, as required under the Companies Act.

ANNOUNCEMENT OF PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper, one widely circulated Hindi language national daily newspaper and one widely circulated regional daily newspaper. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price.

ISSUANCE OF A CONFIRMATION OF ALLOCATION NOTE ("CAN")

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.

2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

1. Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Applicant's depositary account will be completed within 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, our Company will ensure the credit to the successful Applicant's depository account is completed within Twelve Working Days from the date of closure of the Issue.

2. In accordance with section 29(1) of the Companies Act, 2013, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

3. Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be credited to their depository account pursuant to this Issue.

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 / SCSB.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- 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.

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 par.

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 Lead Manager 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.

Applications by Non-Residents including Eligible NRIs, FIIs and Foreign Venture Capital Funds on a repatriation basis

Applications and revision to Applications must be made in the following manner:

1. On the Application Form or the Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained overleaf.

2. In a single name only.

3. Applications on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of persons not competent to contract under the Indian Contract Act, 1872, as amended, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Applications by Eligible NRIs for an amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Applications for an amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

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. Our Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Applicants other than ASBA Applicants

Our Company shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Applicants (other than ASBA Applicants) shall make out the cheque or demand draft in respect of his or her Application and/or revision of the Application. Cheques or demand drafts received for the full Application Amount from Applicants in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Prospectus and the Escrow Agreement. The Escrow Collection Bank(s) for and on behalf of the Applicants shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account opened with the Public Issue Account Bank. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus.

The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Applicants.

Terms of Payment / Payment Instructions

The entire Issue Price of ₹ 55 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/ Stock invest/ 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 as per the following terms:

1) The payment instruments for payment into the Escrow Account should be drawn in favour of:

   - Indian Public including eligible NRIs applying on non-repatriation basis: "Escrow Account – PIL – R".

   - In case of Non-Resident Retail Applicants applying on repatriation basis: "Escrow Account – PIL – 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 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.

For Terms of Payment / Payment Instructions for ASBA Applicants, please see "Issue Procedure for ASBA Applicants" under the chapter "Issue Procedure" on page 200 of this Draft Prospectus.

Payment by Stock Invest

In terms of the RBI 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.

SUBMISSION OF APPLICATION FORM

All Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Brokers / Sub Brokers at the time of submission of the Application. With regard to submission of Application Forms, please refer to the sub-section on "Issue Procedure - Application Form" on page 194 of this Draft Prospectus.

Kindly note that the Brokers / Sub Brokers at the Collection Centers may not accept the Application if there is no branch of the Escrow Collection Banks at that location.

No separate receipts shall be issued for the money payable on the submission of Application Form or Revision Form. However, the collection centre of the Brokers / Sub Brokers will acknowledge the receipt of the Application Forms or Revision Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. In case of ASBA Applications, an acknowledgement from the Designated Branch or concerned Brokers / Sub Brokers, as the case may be, for submission of the Application Form may be provided.

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:

a. 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

b. 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.

c. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.
In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 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 Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants and Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Grounds for Technical Rejections

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;

2. 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;

3. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors (except through their Legal Guardians), insane persons;

4. PAN not mentioned in the Application Form;

5. GIR number furnished instead of PAN;
6. Applications for lower number of Equity Shares than specified for that category of investors;
7. Applications at a price other than the Fixed Price of the Issue;
8. Applications for number of Equity Shares which are not in multiples of 2,000;
9. Category not ticked;
10. Multiple Applications as defined in this Draft Prospectus;
11. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
12. Applications accompanied by Stock invest/ money order/ postal order/ cash;
13. Signature of sole Applicant is missing;
14. 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;
15. 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;
16. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
17. Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
18. Applications by OCBs;
19. Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
20. Applications not duly signed;
21. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
22. Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
23. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
24. 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;
25. Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000 received after 3.00 pm on the Issue Closing Date;

APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE SCSBs DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 29 (1) of the Companies Act, 2013, the allotment of Equity Shares in this Issue shall be only in de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, the Company is in the process of signing two agreements with the respective Depositories and the Registrar to the Issue:

1. Agreement dated [•] with NSDL, the Company and the Registrar to the Issue;

2. Agreement dated [•] with CDSL, the Company and the Registrar to the Issue.

All Applicants can seek allotment only in dematerialised mode. Applications from any Applicant without relevant details of his or her depository account are liable to be rejected.

1. 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.

2. 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.

3. Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.

4. Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository.

5. If incomplete or incorrect details are given under the heading 'Investors Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.

6. 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.

7. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

8. The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

9. Allotment advice or refund orders will be directly sent to the Applicants by the Registrar to the Issue.

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.

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 twelve working days of date of closure of the Issue.

In case of applicants who receive refunds through ECS, Direct Credit or NEFT, 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

The Company shall pay interest at 15% p.a. for any delay beyond the 12 (twelve) working days time period as mentioned, 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.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447 of the said Act."

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 2,000 equity shares the allotment will be made as follows:

    a) Each successful applicant shall be allotted 2,000 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 2,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 2,000 equity shares subject to a minimum allotment of 2,000 equity shares.

5) If the Shares allocated 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 allocated 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 2,000 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 Draft 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 (i) individual applicants other than retails individual investors and (ii) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.

   c) The unsubscribed portion of the net offer to any one of the categories specified in (i) or (ii) shall/may be made available for allocation to applicants in the other category, if so required.

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

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to the Lead Manager and the Registrar to this 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.

PROCEDURE AND TIME SCHEDULE FOR TRANSFER OF EQUITY SHARES

The Issue will be conducted through the "Fixed Price Method" pursuant to which the Brokers / Sub-Brokers and SCSBs will accept Applications for the Equity Shares during the Issue Period. The Issue Period will commence on [●] and expire on [●]. Following the expiration of the Issue Period, our Company, in consultation with the Lead Manager, will determine the basis of allotment and entitlement to allotment based on the applications received and subject to the confirmation by the Stock Exchanges. Successful Applicants will be provided with a confirmation of their allocation for the Equity Shares within a prescribed time. The SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful Applicants within 12 days of the expiration of the Issue Period. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

LETTERS OF ALLOTMENT OR REFUND ORDERS OR INSTRUCTIONS TO THE SCSBs

The Registrar to the Issue shall give instructions for credit of the Allotted Equity Shares to the beneficiary account with depository participants within 12 Working Days from the Issue Closing Date. Applicants residing at the centers where clearing houses are managed by the RBI will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and NEFT. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or First Applicant's sole risk within 12 Working Days of the Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of closure of Issue Closing Date. In case of ASBA Applicants, the Registrar shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date.

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 Lead Manager 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.

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 Lead Manager 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 centres where such facility has been made available specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.

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) ***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.

4) 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 Refund Bank and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

INTEREST IN CASE OF DELAY IN DISPATCH OF ALLOTMENT LETTERS OR REFUND ORDERS/ INSTRUCTION TO THE SCSBs BY THE REGISTRAR

The issuer agrees that as far as possible allotment of securities offered to the public shall be made within twelve (12) days of the closure of public issue. The issuer further agrees that it shall pay interest at the rate of fifteen (15) per cent per annum if the allotment letters or refund orders have not been despatched to the applicants 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 within fifteen days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

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 us;

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 Draft Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.

7) That adequate arrangements shall be made till the securities offered through this Offer Document are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.;

8) That we 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 Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the 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.

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 Stock Exchanges where the Equity Shares are proposed to be listed shall also be informed promptly.

If the Company withdraws the Issue after the Application Closing Date, the Company will be required to file a fresh Draft Offer Document with the Stock Exchange.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI ("DIPP") by circular 1 of 2013, with effect from April 05, 2013 ("Circular 1 of 2013"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government proposes to update the consolidated circular on FDI Policy once every Year and therefore, Circular 1 of 2013 will be valid until the DIPP issues an updated circular.

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares by an Indian resident to a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI. Further, in terms of the Consolidated FDI Policy, prior approval of the RBI shall not be required for transfer of shares between an Indian resident and person not resident in India if conditions specified in the Consolidated FDI Policy have been met.

The transfer of shares of an Indian company by a person resident outside India to an Indian resident, where pricing guidelines specified by RBI under the foreign exchange regulations in India are not met, will not require approval of the RBI, provided that (i) the original and resultant investment is in line with Consolidated FDI policy and applicable foreign exchange regulations pertaining to inter alia sectoral caps and reporting requirements; (ii) the pricing is in compliance with applicable regulations or guidelines issued by SEBI; and (iii) a compliance certificate in this regard is obtained from chartered accountant and attached to the filings made before the authorised dealer bank.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered, 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, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

SECTION X – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Table F in Schedule I of the Companies Act, 2013, the main provisions of the Articles of Association of our Company are detailed below:

These Articles of Association were adopted in substitution for and to the entire exclusion of the earlier Articles of Association at the Extra-ordinary General Meeting of the Company held on September 05, 2014.

SHARE CAPITAL AND VARIATION OF RIGHTS

IV. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the Managing Directors or his empowered Director control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided —

a) one certificate for all his shares without payment of any charges; or*

b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of

the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be atleast two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further share ranking pari passu therewith.

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

LIEN

9. (i) The company shall have a first and paramount lien —

a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

b) on all shares (not being fully paid shares) standing registered in the name ofa single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
Provided that no sale shall be made —

a) unless a sum in respect of which the lien exists is presently payable; or

b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

18. The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

TRANSFER OF SHARES

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

(iii) The Board shall not refuse the registration of transfer on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever

20. The Board may, subject to the right of appeal conferred by section 58 decline to register—

a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

b) any transfer of shares on which the company has a lien.

21. The Board may decline to recognise any instrument of transfer unless—

a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1)of section 56;

b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

c) the instrument of transfer is in respect of only one class of shares.

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

TRANSMISSION OF SHARES

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

a) to be registered himself as holder of the share; or

b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

28. The notice aforesaid shall—

a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

35. Subject to the provisions of section 61, the company may, by ordinary resolution,—

a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

36. Where shares are converted into stock,—

a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law —

(a) its share capital;
(b) any capital redemption reserve account; or
(c) any share premium account.

CAPITALISATION OF PROFITS

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve—

a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and

b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

DEMATERIALISATION OF SECURITIES

(I) For the purpose of this Article:-

"Beneficial Owner": Beneficial Owner shall have the meaning assigned thereto in section2(1)(a) of the Depositories Act, 1996.

"Depositories Act": Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depository": Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act,1996.

"Member": Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.

"Security": Security shall mean such security as may be specified by SEBI.

(ii) "Dematerialisation of Securities": Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.

(iii) "Option to hold securities in physical form or with depository": Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.

(iv) "Beneficial Owner may opt out of a Depository": Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.

(v) "Securities in Depositories to be in fungible form": All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B,
187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) "Rights of depository and beneficial owners": A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

(vii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

(viii) "Transfer of securities": Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 108, of the Companies Act, 1956 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(ix) "Register and Index of beneficial owners": The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

(x) "Other matters": Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re- enactment thereof and Rules/Regulations made there under shall prevail accordingly.

Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

NOMINATION

40. Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of Section 58A of the Act.

BUY-BACK OF SHARES

41. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

GENERAL MEETINGS

42. All general meetings other than annual general meeting shall be called extraordinary general meeting.

43. (i) The Board may, whenever it thinks fit with approval of the Managing Director only, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form aquorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board only with the approval of Managing Director.

PROCEEDINGS AT GENERAL MEETINGS

44. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

45. The chairperson of all Board meeting to be Mr. Rasik Kumar Mangukiya.

46. In absence of Mr. Rasik Kumar Mangukiya, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

47. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

ADJOURNMENT OF MEETING

48. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

49. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

a) on a show of hands, every member present in person shall have one vote; and

b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

50. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

51. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

52. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

53. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

54. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

55. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

56. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a not arised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

57. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

58. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:
Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

59. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

60. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

b) in connection with the business of the company.

61. The Board may pay all expenses incurred in getting up and registering the company.

62. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

63. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

64. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

65. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

PROCEEDINGS OF THE BOARD

66. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board only with approval of Managing Director.

67. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

68. The continuing directors may act notwithstanding any vacancy in the Board; but,if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

69. (i) The Board may elect Mr. Rasik Kumar Mangukiya as Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

70. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit only after approval of Managing Director.

(ii) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

71. (i) A committee may elect a Chairperson of its meetings only after approval of Managing Director.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

72. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

73. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

74. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

75. Subject to the provisions of the Act,—

(i) Chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board only after approval of Managing Director for such term, at such remuneration and upon such conditions as it may thinks fit; and chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

76. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and managing director, whole time director, chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

77. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDENDS AND RESERVE

78. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

79. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

80. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

81. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

82. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

83. (i) Any dividend, interest or other monies payable in cash in respect of shares maybe paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

84. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

85. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

86. No dividend shall bear interest against the company.

ACCOUNTS

87. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

WINDING UP

88. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

89. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

MANAGING DIRECTOR

90. (i) Mr. Rasik Kumar Mangukiya shall act as the Managing Director of the Company. Managing Director is authorized to execute, sign enter into and to execute all, such contracts, conveyances, lease, assignments, assurances, deeds, agreements, instruments in connection with all movable and immovable properties of the company and in relation to the business of the company and to enter all agreements, negotiations and make representation to the Government both State and Central, Financial Institution, Public bodies, banks, etc and shall sign, execute all necessary applications and documents, and appoint committee as may be required or deemed fit and proper requisite from time to time. He may settle any account or reckoning whatsoever on behalf of the company.

(ii) Managing Director's office not liable to retire by Rotation. The Managing Director shall be entitled to such salary as may be determined by the Board of Directors from time to time and out of pocket expenses incurred in connection with the business of the company and such travelling and other expenses as may be permitted by the Board of Directors from time to time.

SECTION XI – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered into or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material have been attached to the copy of the Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application / Issue Opening Date until the Application / Issue Closing Date.

A. Material Contracts

1. Memorandum of Understanding dated March 10, 2015 between our Company and the Lead Manager.
2. Memorandum of Understanding dated November 13, 2014 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the Lead Manager, Escrow Collection Bank(s), Refund bank and the Registrar to the Issue.
4. Market Making Agreement dated March 16, 2015 between our Company, the Lead Manager and the Market Maker.
5. Underwriting Agreement dated March 16, 2015 between our Company and the Lead Manager and the Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated [●].
7. Tripartite agreement between the CDSL, our Company and the Registrar dated [●].

B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificate of Incorporation of our Company.
3. Resolution of the Board of Directors meeting dated November 05, 2014, authorizing the Issue.
4. Shareholders' resolution passed at the Extra-Ordinary General Meeting dated December 17, 2014 authorizing the Issue.
5. Consent from the Statutory Auditor for inclusion of their reports on the restated accounts in this Draft Prospectus.
6. Statutory Auditor's report for Consolidated and Standalone Restated Financials dated March 18, 2015 included in this Draft Prospectus.
7. The report on Statement of Tax Benefits dated March 18, 2015 from our Statutory Auditors.
8. Consent of our Directors, Company Secretary and Compliance Officer, LM, Legal Advisor to the Issue, Registrar to the Issue, Bankers to our Company, Market Maker and Underwriters, as referred to in their specific capacities.
9. Due Diligence Certificate(s) dated March 26, 2015 of the Lead Manager to be submitted to BSE along with the filing of the Draft Prospectus.
10. Approval from BSE vide letter dated [●] to use the name of BSE in this Offer Document for listing of Equity Shares on the SME Platform of the BSE.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of the Company, hereby declare that, 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 or guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft 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, each as amended or rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the disclosures and statements made in this Draft Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Mr. Rasik Mangukiya
(Chairman and Managing Director)

Mr. Ramesh Mangukiya
(Whole-Time Director)

Mrs. Vilas Mangukiya
(Executive Director)

Mr. Mahesh Vaghani
(Non-Executive Independent Director)

Mr. Sanjay Mutha
(Non-Executive Independent Director)

Mr. Bharat Kakadiya
(Non-Executive Independent Director)

Mr. Satish Mangukiya
(Chief Financial Officer)

Mr. Darshit Parikh
(Company Secretary & Compliance Officer)

Date: March 26, 2015
Place: Mumbai