Preliminary Placement Document
Not for Circulation
Serial Number [●]
Strictly Confidential

SUNDARAM MULTI PAP LIMITED

(Incorporated in the Republic of India under the Companies Act, 1956, as a company with limited liability having corporate identity number L21098MH1995PLC086337)

Registered & Corporate Office: 5/6 Papa Industrial Estate, Suren Road, Andheri (East), Mumbai-400093, Maharashtra, India
Telephone: +91 22 67602200; **Fax:** +91 22 67602244; **Email:** -info@sundaramgroups.in **website:** www.sundaramgroups.in

Sundaram Multi Pap Limited (the "**Company**") is issuing up to 30000000 equity shares of face value Re. 1/- each, (the "**Equity Shares**") at a price of [*] per Equity Share, including a premium of Rs. [*] per Equity Share, aggregating up to Rs. [*] (the "**Issue**").

ISSUE IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AND CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED.

THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO QUALIFIED INSTITUTIONAL BUYERS ("QIB") AS DEFINED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "ICDR REGULATIONS") IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AND CHAPTER VIII OF THE ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN QIBs. THIS PLACEMENT DOCUMENT WILL BE CIRULATED ONLY TO SUCH QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO EQUITY SHARES OFFERED IN THE ISSUE.

YOU ARE NOT AUTHORISED TO AND MAY NOT (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISMENT OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY AND EQUITY-RELATED SECURITIES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST ANY AMOUNT IN THE ISSUE UNLESS THEY ARE PREPARED TO BEAR THE RISK OF LOSING ANY PART OR ALL OF THE AMOUNT INVESTED BY THEM. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT.

All of our Company's outstanding Equity Shares are listed on the NSE Limited (the "**NSE**") and BSE Limited (the "**BSE**"). The closing price of the outstanding Equity Shares on NSE and BSE on November 11, 2016, was Rs. 4.10 and Rs. 4.11 per Equity Share respectively. In-principle approvals under Regulation 28(1) of the Listing Regulations (as defined hereinafter) for listing of the Equity Shares have been received from the NSE letter no. [*] dated [*] and BSE vide its letter no. [*] dated [*]. Applications will be made to the NSE and BSE for obtaining final listing and trading approvals for the Equity Shares offered through the Issue. NSE and BSE assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the NSE and BSE should not be taken as an indication of the merits of the business of our Company or the Equity Shares.

A copy of this Placement Document, which includes disclosures prescribed under Form PAS-4 (as defined hereinafter), has been delivered to the NSE and BSE. This Placement Document has not been reviewed by the Securities and Exchange Board of India (the "**SEBI**"), the Reserve Bank of India (the "**RBI**"), the Stock Exchanges or any other regulatory or listing authority and is intended only for use by QIBs. A copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be filed with the BSE and NSE in accordance with the ICDR Regulations. Our Company shall make the requisite filings with the Registrar of Companies, Maharashtra at Mumbai (the "**ROC**") and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended. This Placement Document has not been and will not be registered as a prospectus with the ROC, and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The Issue is meant only for QIBs by way of a private placement and is not an offer to the public or to any other class of investors. This Placement Document has been prepared by our Company solely for providing information in connection with the Issue.

Invitations, offers and sales of the Equity Shares shall only be made pursuant to this Placement Document together with the respective Application Form (defined hereinafter) and the CAN (as defined hereinafter). The distribution of this Placement Document or the disclosure of its contents to any person, other than QIBs and persons retained by QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents referred to in this Placement Document. See "*Issue Procedure*".

The information contained in this Placement Document is not complete and may be changed. The information on our Company's website or any website directly or indirectly linked to our Company's website does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, such websites.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" (as defined in Regulation S under the U.S. Securities Act ("Regulation S")) in accordance with Regulations and the applicable laws of the jurisdictions where those offers and sales occur. For further details, see "*Selling Restrictions*" and "*Transfer Restrictions*".

This Preliminary Placement Document is dated November 15, 2016.

LEAD MANAGER TO THE PLACEMENT

D & A FINANCIAL SERVICES (P) LIMITED
13, Community Centre, East of Kailash, New Delhi-110065
Ph. No. +91-11-26218274/26419079; Fax No. +91-11-26219491
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GLOSSARY OF TERMS / ABBREVIATIONS

The following list of certain capitalized terms used in this Placement Document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

The terms defined in this Placement Document shall have the meaning set forth in this section and unless the context otherwise implies, references to any statute or regulations or policies shall include amendments thereto, from time to time.

Company Related Terms:

Term	Description
"Sundaram Multi Pap", "SMPL", "Company", "Issuer"	Sundaram Multi Pap Limited, a public limited company incorporated under the Companies Act, 1956 and having CIN L21098MH1995PLC086337. It is clarified that references to "us", "we" or "our" are to our Company, together with its Subsidiaries, on a consolidated basis
"Articles" or "Articles of Association" or "AoA"	The articles of association of our Company, as amended from time to Time
Auditors	The Statutory Auditors of our Company, namely M/s Bhuta Shah & Co., LLP Chartered Accountants
"Board" or "Board of Directors"	The Board of Directors of our Company or any duly constituted committee.
Registered & Corporate Office	The Registered and Corporate office of our Company is located at 5/6 Papa Industrial Estate, Suren Road, Andheri (East) Mumbai-400093, Maharashtra, India.
Director(s)	The director(s) of our Company
Equity Share(s)	The equity share(s) of our Company having a face value of Re. 1/- each
"Memorandum" or "Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended from time to time
Promoter	The promoters of our Company
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(zb) of the ICDR Regulations
Shareholder(s)	Shareholders of our Company
Subsidiaries	The direct and indirect subsidiaries of our Company

Subsidiaries

Term	Description
E-Class Education Systems Limited	To carry on the business in India or abroad to set up, establish, promote, encourage, provide, maintain, organize, franchise, undertake, manage, equip, develop, operate, conduct academic and non-academic education either on its own or in joint venture with other universities, academic, educational institutions, centers, schools, collages, institutes for the purpose of Imparting, spreading and promoting knowledge, learning, training, development and education through schools, collages, coaching classes, teaching classes for various exams and courses and to establish play school, pre-primary, secondary, under graduation, post-graduation, doctoral degree courses in all fields and/or faculties and to publish, supply education literature, learning materials in print, audio/visual, multimedia bases content, any digital or electronic based content, any digital or electronic media or any other form and to provide necessary infrastructure support and facilities as also effective and appropriate solutions, by any means by itself or through or its affiliates and/or other independent entities whether in India or abroad to students or abroad to students, corporates, entrepreneurs, investors and other persons and entities.

Issue Related Terms

Term	Description
"Allocated" or "Allocation"	The allocation of the Equity Shares following the determination of the Issue Price to QIBs on the basis of the Application Form submitted by them, by our Company in consultation with the Lead Manager and in compliance with Chapter VIII of the ICDR Regulations
"Allot" or "Allotted" or "Allotment"	Unless the context otherwise requires, the issue and allotment of the Equity Shares to be issued pursuant to the Issue
Allottees	QIBs to whom the Equity Shares are issued and Allotted
"Application Form" or "Bid-Cum Application Form"	The form (including any revisions thereof) pursuant to which a QIB shall submit a Bid for the Equity Shares in the Issue
Application	An offer by a QIB pursuant to the Application Form for subscription of the Equity Shares under the Issue
Bid(s)	Indication of interest of a Bidder, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares in the Issue
Bid/Issue Closing Date	[*], which is the last date up to which the Application Forms shall be accepted
Bid/Issue Opening Date	[*]
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days, during which prospective Bidders can submit their Bids
Bidder(s)	Any prospective investor, being a QIB, who makes a Bid by submitting an Application Form in accordance with the provisions of the Preliminary
"Lead Manager" or "LEAD MANAGER"	D & A Financial Services (P) Limited
"Confirmation of Allocation Note" or "CAN"	The note or advice or intimation sent to QIBs confirming the Allocation to such QIBs after discovery of the Issue Price and requesting payment of the entire applicable Issue Price for the Equity Shares Allocated to such QIBs
Closing Date	The date on which Allotment shall be made, i.e. on or about [*]
Cut-off Price	The minimum price at which the Issue Price shall be determined by our Company in consultation with the Lead Manager
Designated Date	The date of credit of the equity shares to the Allottee's demat account, as applicable to the respective Allottees.
Escrow Account	The bank account opened by our Company with the Escrow Collection Bank pursuant to the Escrow Agreement, into which the application monies received towards subscription of the Equity Shares shall be deposited by the QIBs
Escrow Collection Bank	YES Bank Limited
Floor Price	The floor price for the Issue, as calculated in accordance with Regulation 85 of the ICDR Regulations, is Rs. [*] per Equity Share with reference to [*], as the Relevant Date. In accordance with the Shareholders' special resolution dated August 29, 2016 and Regulation 85(1) of the ICDR Regulations, the Board may at its absolute discretion, offer a discount of up to 5.00% to the Floor Price.
Issue	The offer and placement of the Equity Shares to QIBs, pursuant to Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules, and Chapter VIII of the ICDR Regulations.
Issue Price	[*] per Equity Share
Issue Size	The issue of up to 3,00,00,000 Equity Shares aggregating up to maximum of Rupees 15 Crore
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is

Term	Description
	available for Allocation to Mutual Funds
Pay-in Date	The last date specified in the CAN sent to the Bidders, by which the Issue Price for the Equity Shares Allocated has to be paid
Placement Document	This placement document dated [*], issued by our Company in accordance with the provisions of Section 42 of Companies Act, 2013, read with Rule 14 of the PAS Rules, and Chapter VIII of the ICDR Regulations.
Preliminary Placement Document	The preliminary placement document dated November 15, 2016.
“QIB” or “Qualified Institutional Buyers”	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the and not excluded pursuant to Regulation 86(1)(b) of the ICDR Regulations
QIP	Qualified institutions placement under Chapter VIII of the ICDR Regulations
Relevant Date	November 15, 2016, being the date of the meeting in which the Board, decided to open the Issue
Stock Exchanges or “NSE” or “BSE”	National Stock Exchange of India Limited and BSE Limited.

Conventional and General Terms/Abbreviations

Term	Description
AGM	The annual general meeting of the Shareholders
AIF	Alternative investment funds as defined in the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting standards issued by the Institute of Chartered Accountants of India
AY	Assessment year
BSE	BSE Limited
NSE	National Stock Exchange of India Limited
Calendar Year	Period of 12 months ended December 31 of that particular year
CARO	The Companies (Auditor’s Report) Order, 2015
Category III FPIs	An FPI registered as a category III foreign portfolio investor under the FPI Regulations
Civil Code	The Code of Civil Procedure, 1908
CIN	Corporate identity number
CIT	Commissioner of Income Tax
Companies Act	The Companies Act, 2013 and the Companies Act, 1956, as the context Requires
Companies Act, 1956	The Companies Act, 1956, to the extent not repealed
Companies Act, 2013	The Companies Act, 2013, as amended and the rules and clarifications thereunder, to the extent notified
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depository Participant	A depository participant as defined under the Depositories Act, 1996
DIN	Director identification number
EGM	An extraordinary general meeting of the shareholders

Equity Listing Agreement	The erstwhile listing agreement as had previously been entered into by our Company with each of the Stock Exchanges for the listing of the Equity Shares. In accordance with the requirements of Regulation 109 of the Listing Regulations, a listed entity which has previously entered into agreement(s) with recognized stock exchange(s)to list its securities is required to execute the Uniform Listing Agreement with such stock exchange(s) within six months of the date of notification of the Listing Regulations.

Term	Description
Eligible FPI	FPIs that are eligible to participate in the Issue and does not include Category III FPIs who are not allowed to participate in the Issue.
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 and the rules, regulations, notifications and circulars issued thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	Foreign institutional investors as defined under the FPI Regulations
FII Regulations	The Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
"Financial Year" or "Fiscal"	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FPI(s)	Foreign portfolio investors as defined under the FPI Regulations and Includes a person who has been registered under the FPI Regulations. Any FII who holds a valid certificate of registration is deemed to be an FPI till the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
Form PAS-4	The Form PAS-4 prescribed under the PAS Rules
FVCI	A foreign venture capital investor as defined and registered with the SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with the SEBI under the applicable laws in India
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
"Government" or "GoI"	The Government of India, unless otherwise specified
ICAI	Institute of Chartered Accountants of India
ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
IND AS	Indian Accounting Standards (IND AS) 101 "First-time Adoption of Indian Accounting Standards" as notified by the Ministry of Corporate Affairs, Government, on February 25, 2011
India	The Republic of India
Indian GAAP	The generally accepted accounting principles followed in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ISIN	International Securities Identification Number
IT	Information technology
IT Act	The Income Tax Act, 1961
ITAT	Income Tax Appellate Tribunal
Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by the SEBI, on September 02, 2015.

MCA	Ministry of Corporate Affairs
MVAT	The Maharashtra Value Added Tax Act, 2002
NRI	Non-Resident Indian, being an individual resident outside India who is a citizen of India or is an 'overseas citizen of India' cardholder, within the meaning of Section 7(A) of the Citizenship Act, 1955.
P.A	Per Annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014

Term	Description
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
ROC	The Registrar of Companies Mumbai, Maharashtra
Re./ Rs./ Rupee(s)	The legal currency of India
RTGS	Real-Time Gross Settlement
R&D	Research and development
SC	Supreme Court of India
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
STT	Securities transaction tax
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Uniform Listing Agreement	The uniform listing agreement as notified by the SEBI, on October 13, 2015. Our Company has entered into the uniform listing agreement for continuing the listing of its Equity Shares with BSE pursuant to requirements of Regulation 109 of the Listing Regulations.
Unpublished Price Sensitive Information	Unpublished price sensitive information as defined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
"USA" or "US"	United States of America
US$/U.S. dollar	United States Dollars
VCF	A Venture Capital Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996

NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and having made all reasonable enquiries, confirms, to the best of its knowledge and belief, that this Placement Document contains all information with respect to our Company, its Subsidiaries and the Equity Shares, which is material in the context of the Issue. The statements contained in this Placement Document relating to our Company, its Subsidiaries and the Equity Shares are, in all material respects, true and accurate and not misleading. The opinions and intentions expressed in this Placement Document with regard to our Company, its Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to our Company and are based on reasonable assumptions. There are no other facts in relation to our Company, its Subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by our Company to ascertain such facts and to verify the accuracy of all such information and statements.

Each person receiving this Placement Document acknowledges that such person has neither relied on the Lead Manager nor on any of its shareholders, employees, counsels, officers, directors, representatives, agents or affiliates in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of our Company, its Subsidiaries and the merits and risks involved in investing in the Equity Shares. Any prospective investor should not construe anything in this Placement Document as legal, business, tax, accounting or investment advice.

No person is authorized to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or the Lead Manager. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue (in consultation with the Lead Manager or its representatives) and those retained by QIBs to advise them with respect to their purchase of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" (as defined in Regulations) in accordance with Regulations and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described in the sections titled "*Selling Restrictions*" and "*Transfer Restrictions*". Purchasers of the Equity Shares will be deemed to make the representations set forth in the sections titled "*Representations by Investors*" and "*Transfer Restrictions*".

The distribution of this Placement Document and the issue of the Equity Shares in certain jurisdictions may be restricted by law. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company or the Lead Manager which would permit an Issue of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any Issue materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction that would require registration of the Equity Shares in such country or jurisdiction. See the sections titled "*Selling Restrictions*" and "*Transfer Restrictions*".

In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to investment, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under applicable legal, investment or similar laws or regulations. Each purchaser of the Equity Shares is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Chapter VIII of the ICDR Regulations and is not prohibited by SEBI or any other regulatory authority from buying, selling or dealing in securities. Each purchaser of the Equity Shares also acknowledges that it has been afforded an opportunity to request from our Company and review information pertaining to our Company and the Equity Shares.

Each subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Indian law, including Section 42 of the Companies Act 2013, read with Rule 14 of the PAS Rules, and Chapter VIII of the ICDR Regulations and that they are not prohibited by the SEBI or any other statutory authority from buying, selling or dealing in securities including the Equity Shares. The information on our Company's website or any website directly or indirectly linked to our Company's website i.e. www.sundaramgroups.in or the website of the Book Running Lead Manager or its affiliates, does not constitute or form part of this Placement Document. Prospective investors should not rely on the information contained in, or available through such websites. This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

REPRESENTATIONS BY INVESTORS

By Bidding for and/or subscribing to any Equity Shares offered in the Issue, you are deemed to have represented, warranted, acknowledged and agreed with/to the Company and the Lead Manager as follows:

1. you are an eligible QIB, as defined in Regulation 2(1)(zd) of the ICDR Regulations and not excluded pursuant to Regulation 86 of the ICDR Regulations, having a valid and existing registration under the applicable laws and regulations of India and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated to you in accordance with Chapter VIII of the ICDR Regulations;

2. you undertake to comply with the ICDR Regulations, the Companies Act and all other applicable laws, including any reporting requirements prescribed under such laws;

3. if you are not a resident of India, you are an eligible QIB, and (i) you are an FPI including an FII (including a sub-account other than a sub-account which is a foreign corporate or a foreign individual) and (ii) have a valid and existing registration with SEBI under the applicable laws in India and (iii) or a multilateral or bilateral development financial institution or an FVCI. You are investing in this Issue under the portfolio investment scheme and will make all necessary filings with the appropriate regulatory authorities, as required, pursuant to applicable laws;

4. you are eligible to invest in India under applicable laws, including the FEMA Regulations, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by the SEBI or any other regulatory authority, from buying, selling or dealing in securities;

5. you will make all necessary filings with appropriate regulatory authorities, including the RBI, as maybe required under applicable laws;

6. you confirm that if you are Allotted the equity shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the equity shares so acquired except on a recognized stock exchange;

7. you are aware that the Equity Shares have not been and will not be offered and/or sold through a prospectus under the Companies Act, the ICDR Regulations or under any other law in force in India. Further, you are aware that this Placement Document has not been verified or affirmed by the RBI, the SEBI, the ROC, the Stock Exchange or any other regulatory or statutory authority and is intended only for use by QIBs;

8. you are aware that this Placement Document has been filed with the Stock Exchange for record purposes only and has been displayed on the websites of our Company and the Stock Exchange. Further, you are aware that the Company is required to make the requisite filings in relation to the Issue with the ROC and the SEBI within the time periods prescribed under the Companies Act and the PAS Rules;

9. you have fully observed such laws and obtained all such governmental and other consents which may be required thereunder and complied with all necessary requirements;

10. you are aware that additional requirements are applicable to you if are any jurisdiction other than India. For details, see the section titled "*Selling Restrictions*" and "*Transfer Restrictions*". You are able to purchase the Equity Shares in compliance with the legal requirements described in the section titled *"Selling Restrictions"*.

11. you are entitled to acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have all necessary capacity and have obtained all necessary consents and authorities to enable you to commit to this participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorities to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

12. you confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents ("**Company's Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company's Presentations: (a)

you understand and acknowledge that the Lead Manager may not have knowledge of any information, answers, materials, documents and statements that our Company or its agents may have made at such Company's Presentations and are therefore unable to determine whether the information provided to you at such Company's Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Lead Manager has advised you not to rely in any way on any information that was provided to you at such Company's Presentations, and (b) confirm that you have not been provided any material information that was not publicly available;

13. neither our Company nor the Lead Manager nor any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates is making any recommendations to you or advising you regarding the suitability of an investment in the Equity Shares offered in the Issue and that participation in the Issue is on the basis that you are not and will not, up to the Allotment, be a client of the Lead Manager and that the Lead Manager or any of its shareholders, employees, counsels, officers, directors, representatives, agents or affiliates have no duties or responsibilities to you for providing the protection afforded to their clients or for providing advice in relation to the Issue and are in no way acting in a fiduciary capacity to you;

14. you are aware that our Company is required to disclose details such as your name, address and the number of Equity Shares Allotted to you to the RoC and the SEBI in accordance with applicable laws, and you consent to such disclosures. Further, if you are one of the top ten shareholders of our Company, our Company will be required to make a filing with the RoC within 15 days of the Allotment as per Section 93 of the Companies Act, 2013;

15. you are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of Equity Shares Allotted to you to the Stock Exchange, and they will make the same available on their websites and you consent to such disclosures;

16. you understand that all statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company's present and future business strategies and environment in which our Company will operate in the future. Thus, you understand that you should not place undue reliance on forward-looking statements, which speak only as of the date of this Placement Document. You understand and acknowledge that the Company and the Lead Manager assume no responsibility to update any of the forward-looking statements contained in this Placement Document;

17. you have been provided a serially numbered copy of this Placement Document and have read this Placement Document in its entirety, including, in particular, the sections titled "*Risk Factors*" and *"Forward-Looking Statements"*;

18. you are aware and understand that the Equity Shares are being offered only to QIBs and are not being offered to the general public and the Allotment of the same shall be on a discretionary basis;

19. that in making your investment decision, (i) you have relied on your own examination of our Company, its Subsidiaries and the terms of the Issue, including the merits and risks involved, (ii) you have consulted your own independent advisors or otherwise have satisfied yourself concerning without limitation, the effects of local laws and taxation matters, (iii) you have relied solely on the information contained in this Placement Document, which has been independently prepared and provided solely by our Company, and no other disclosure or representation by our Company or any other party; (iv) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of the Equity Shares; (v) you have made your own assessment of us, the Equity Shares and the terms of the Issue; and (vi) you have relied upon your own investigation and resources in deciding to invest in this Issue;

20. you are a sophisticated investor and have such knowledge and experience in financial investment and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You and any accounts for which you are subscribing the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares; (ii) will not look to our Company and/or the Lead Manager or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares; (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You seek to purchase the Equity Shares in the Issue for your investment purposes and not with a view for resale or distribution;

21. you understand that our Company or the Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have not provided you with any tax advice or otherwise made any representations regarding the tax consequences of subscription, ownership or disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the Book Running Lead Manager or any of its shareholders, employees, counsels, officers, directors, representatives, agents or affiliates or our Company when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Issue). You waive and agree not to assert any claim against the Lead Manager or any of their shareholders, employees, counsels, officers, directors, representatives, agents or affiliates or our Company with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

22. that where you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing by each such managed account to acquire the Equity Shares for each managed account and to make (and you hereby make) the representations, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

23. you are not a 'promoter' (as defined under the ICDR Regulations) of the Company or a person related to any 'promoter', either directly or indirectly, and your Application does not directly or indirectly represent the Promoter(s) or Promoter Group or group companies of the Promoter(s) of our Company;

24. you have no rights under any shareholders' agreement or voting agreement with the 'promoter' (as defined under the ICDR Regulations) or a person related to any 'promoter', nor any veto right or right to appoint any nominee director on the Board of Directors other than the rights you may have acquired in the capacity of a lender, and where such acquisition has not and will not result in you being deemed to be a 'promoter', a person related to the Promoter(s) or Promoter Group or group companies of the Promoter(s) of our Company;

25. you are aware, understand and agree that you have no right to withdraw your Application after the Bid/Issue Closing Date;

26. you are eligible, including without limitation under applicable law, to apply for and hold the Equity Shares so Allotted and together with any securities of our Company held by you prior to the Issue. You further confirm that your aggregate holding in our Company upon the issue and Allotment shall not exceed the level permissible as per any applicable laws;

27. that the Application Form submitted by you would not at any stage result, directly or indirectly, in triggering any requirement to make a public announcement to acquire Equity Shares in accordance with the Takeover Regulations;

28. to the best of your knowledge and belief, your aggregate holding together with other allottees belonging to the same group or are under common control as you, pursuant to the Allotment shall not exceed 50% of the Issue Size. For the purposes of this representation:
    i. The expression "Belongs to the Same Group" shall be interpreted by applying the concept of "Company under the same Group" as provided in sub section11 of section 372 of the Companies Act, 1956.

ii. "Control" shall have the same meaning as is assigned to it by clause 1(e) of Regulation 2 of the Takeover Regulations.

29. you understand that the Equity Shares will, when issued, be credited as fully paid and will rank *pari-passu* in all respects with the existing Equity Shares including the right to receive all dividends and other distributions declared, made or paid in respect of the Equity Shares after the date of issue of the Equity Shares;

30. you are aware that (i) applications for in-principle approval, in terms of Regulation 28(1) of the Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchange, were made and such approval has been received from the Stock Exchange, and (ii) the application for the final listing and trading approval will be made only after Allotment. Our Company shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

31. you shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approval for the Equity Shares are issued by the Stock Exchange;

32. you understand that the contents of this Placement Document are exclusively the responsibility of our Company and that neither the Lead Manager nor any person acting on its behalf has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By participating in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares and you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Lead Manager or our Company or any other person and neither the Lead Manager nor our Company nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

33. you understand that the Lead Manager does not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by us of any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;

34. Any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of the Republic of India and the courts at Mumbai, India, India shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Issue;

35. That each of the representations, warranties, acknowledgements and agreements set forth above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

36. You agree to indemnify and hold our Company and the Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, undertakings, and agreements in this section. You agree that the indemnity set forth in this section shall survive the resale of the Equity Shares by or on behalf of the managed accounts;

37. you understand that our Company, the Lead Manager, its respective affiliates and others will rely on the truth and accuracy of the foregoing representations, agreements, warranties, acknowledgements and undertakings, which are given to the Lead Manager on its own behalf and on behalf of our Company and are irrevocable and it is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the Lead Manager; and

38. you have made, or been deemed to have made, as applicable, the representations set forth in this section, namely "*Representations By Investors*".

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the FPI Regulations, FPIs (other than Category III FPIs, as defined in the FPI Regulations, and unregulated broad based funds, which are classified as Category II FPIs (as defined in the FPI Regulations) by virtue of their investment manager being appropriately regulated unless such FPIs have entered into an offshore derivative instrument with an FII prior to January 7, 2014 or were registered as clients of an FII prior to January 7, 2014), including the affiliates of the Lead Manager, may issue or otherwise deal in offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities, listed or proposed to be listed on any recognized stock exchange in India, such as the Equity Shares (all such offshore derivative instruments are referred to herein as **"P-Notes"**), for which they may receive compensation from the purchasers of such instruments. P-Notes may be issued only in favor of those entities which are regulated by any appropriate foreign regulatory authorities in the countries of their incorporation or establishment subject to compliance with "know your client" requirements. An FPI shall also ensure that further issue or transfer of any P-Note issued by or on behalf of it, is made only to persons who are regulated by appropriate foreign regulatory authorities. P-Notes have not been and are not being offered or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

In terms of the FPI Regulations, the issue of equity shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to be 10% or above of the total issued capital of a company. As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments. Two or more subscribers of offshore derivative instruments having a common beneficial owner shall be considered together as a single subscriber of the offshore derivative instruments. In the event an investor has investments as a FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to the P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Lead Manager does not make any recommendation as to any investment in P-Notes and does not accept any responsibility whatsoever in connection with the P-Notes. Any P-Notes that may be issued are not securities of the Lead Manager and do not constitute any obligations of or claims on the Lead Manager. FII of FPI affiliates of the Lead Manager may purchase, the Equity Shares to the extent permissible under law and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuers of such P-Notes and the terms and conditions of any such P-Notes. Neither the SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of this Placement Document has been submitted to the NSE and BSE. The NSE and BSE does not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Document; or

2. warrant that the Equity Shares will be listed or will continue to be listed on the NSE and BSE; or

3. take any responsibility for the financial or other soundness of the Company, its Promoters, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed to mean that this Placement Document has been cleared or approved by the NSE and BSE. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against NSE and BSE whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

DISCLOSURE REQUIREMENTS UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in Form PAS-4 under the PAS Rules and the relevant pages in this Placement Document where these disclosures, to the extent applicable, have been provided.

#	Disclosure Requirement	Relevant Page of This Document
1.	**GENERAL INFORMATION**	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office;	Cover Page
b.	Date of incorporation of the company;	43
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any;	45
d.	Brief particulars of the management of the company;	179
e.	Names, addresses, DIN and occupations of the directors;	179
f.	Management's perception of risk factors;	22-31
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –	*Not Applicable*
(i)	statutory dues;	*Not Applicable*
(ii)	debentures and interest thereon;	*Not Applicable*
(iii)	deposits and interest thereon;	*Not Applicable*
(iv)	loan from any bank or financial institution and interest thereon.	*Not Applicable*
h.	Names, designation, address and phone number, email ID of the nodal / compliance officer of the company, if any, for the private placement offer process;	-
2.	**PARTICULARS OF THE OFFER**	
a.	Date of passing of board resolution;	25th July, 2016
b.	Date of passing of resolution in the general meeting, authorizing the offer of securities;	29th August, 2016
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security;	Equity
d.	Price at which the security is being offered including the premium, if any, along with justification of the price;	Cover Page
e.	Name and address of the valuer who performed valuation of the security offered;	*Not Applicable*
f.	Amount which the company intends to raise by way of securities;	Cover Page
g.	Terms of raising of securities:	40
(i)	Duration, if applicable;	*Not Applicable*
(ii)	Rate of dividend; or	*Not Applicable*
(iii)	Rate of interest;	*Not Applicable*
(iv)	Mode of payment; and	*Not Applicable*
(v)	Repayment;	*Not Applicable*
h.	Proposed time schedule for which the offer letter is valid;	60 Days
i.	Purposes and objects of the offer;	41
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;	*Not Applicable*
k.	Principle terms of assets charged as security, if applicable;	*Not Applicable*
3.	**DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.**	
i.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	*Not Applicable*
ii.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	193
iii.	Remuneration of directors (during the current year and last three financial years).	106,142,174
iv.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	105,140,173

v.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.	
vi.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section- wise details thereof for the company and all of its subsidiaries.	Not Applicable
vii.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	Not Applicable
4.	**FINANCIAL POSITION OF THE COMPANY**	
a.	the capital structure of the company in the following manner in a tabular form-	
(i)(a)	the authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	50
(b)	size of the present offer;	50
(c)	paid up capital: (A) after the offer; (B) After conversion of convertible instruments (if applicable).	50
(d)	Share premium account (before and after the offer).	49
(ii)	the details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	50
	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	51
b.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter.	86,119,153
c.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid).	58
d.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	85,118,152
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	87,120,54
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	94,128,161
5.	**A DECLARATION BY THE DIRECTORS THAT**	
a.	the company has complied with the provisions of the Act and the rules made thereunder.	210
b.	the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government.	210
c.	The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.	210

PRESENTATION OF FINANCIAL, INDUSTRY, MARKET AND OTHER DATA Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "offeree", "purchaser", "subscriber", "recipient", "investors", "prospective investors" and "potential investor" are to the prospective investors of Equity Shares in the Issue and references to the "Issuer", "our Company" or "Sundaram Multi Pap", are to the Sundaram Multi Pap Limited, and references to "we", "us", or "our", or similar terms are to Multi Pap Sundaram Limited and its Subsidiaries unless the context otherwise requires.

References in this Placement Document to "India" are to the Republic of India and its territories and possessions and the "Government" or the "central government" or the "state government" is to the Government of India, central or state, as applicable. References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Financial and Other Information

The audited consolidated financial statements of the Company for the Fiscals 2016, 2015 and 2014 (collectively, the "**Audited Consolidated Financial Statements**") and the audited standalone financial statements of the Company for the Fiscals 2016, 2015 and 2014 (collectively, the "**Audited Standalone Financial Statements**", and together with the Audited Consolidated Financial Statements, the "**Audited Financial Statements**"), have been included in this Placement Document. See *"Financial Statements"*.

Our Company has prepared its Financial Statements in Rupees in accordance with Indian GAAP, the Companies Act and the guidelines issued by the RBI, as applicable and have been audited or reviewed, as applicable, by the Auditors in accordance with the applicable generally accepted auditing standards in India prescribed by the ICAI. The Financial Statements prepared in accordance with Indian GAAP differ in certain important aspects from U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. We have not attempted to quantify the impact of U.S. GAAP on the financial data included in this Placement Document, nor do we provide a reconciliation of our Financial Statements to those of U.S. GAAP. Accordingly, the degree to which the Financial Statements prepared in accordance with Indian GAAP included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Placement Document should accordingly be limited. In this Placement Document, references to "US$" and "U.S. dollars" are to the legal currency of the United States and references to, "Rs." and "Rupees" are to the legal currency of India.

The financial information relating to our Company herein have been converted from crores, lakhs or thousands, as the case may be, into millions and shown to the nearest two decimal places. References to "lakhs" and "crores" in this Placement Document are to the following:

- One lakh represents 100,000 (one hundred thousand); and
- One crore represents 10,000,000 (ten million).

In this Placement Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

The fiscal year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year. Unless otherwise stated, references in this Placement Document to a particular year are to the calendar year ended on December 31, and to a particular "fiscal year" or "financial year" are to the 12 months ended on March 31.

Industry and Market Data

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to the businesses of our Company contained in this Placement Document consists of estimates based on data reports compiled by government bodies, data reports compiled by professional organizations and analysts, data from other external sources and knowledge of the markets in which we compete. Unless stated otherwise, the statistical information included in this Placement Document relating to the industry in which we operate has been reproduced from various trade, industry and government publications and websites. This data is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither our Company nor the Lead Manager has independently verified this data and do not make any representation regarding accuracy or completeness of such data. Our Company takes responsibility for accurately reproducing such information but accept no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analyses and estimates, so our Company has relied on internally developed estimates.

The information and publications used to prepare the Industry section in this Placement Document is based on information as of a specific date and may no longer be current or reflect current trends. Finally, the sources and publications used to prepare this information may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on, any such information included in this Placement Document.

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

Exchange Rate Information

Fluctuations in the exchange rate between the Rupee and foreign currency will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currency of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the U.S. dollar (in Rupees per U.S. dollar), for the periods indicated.

(Rs. per US$)

Period	Period End	Average*	High*	Low*
Fiscal				
2015	62.59	61.15	63.75	58.43
2014	60.10	60.50	68.36	53.74
2013	61.90	58.63	68.36	52.97
Month Ended				
October 31, 2016	66.86	66.75	66.89	66.53
September 30, 2016	66.66	66.74	67.06	66.36
August 31, 2016	66.98	66.94	67.19	66.74
July 31, 2016	67.03	67.21	67.50	66.91
June 30, 2016	67.62	67.30	68.01	66.63
May 31, 2016	67.20	66.90	66.91	66.26

Source: www.rbi.org.in

**Note: High, low and average are based on the RBI reference rates*

The exchange rate on November 12, 2016 was Rs. 67.03 per US$ 1.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the Euro (in Rupees per Euro 1), for the periods indicated.

(Rs. per Euro 1)

Period	Period End	Average*	High*	Low*
Fiscal				
2015	67.51	77.47	84.52	65.94
2014	82.58	81.14	91.47	69.59
2013	85.36	77.94	91.47	69.54
Month Ended				
October 31, 2016	72.91	73.61	74.72	72.79
September 30, 2016	74.75	74.83	75.36	74.17
August 31, 2016	74.62	75.00	76.04	74.06
July 31, 2016	74.27	74.36	75.03	73.80
June 30, 2016	75.01	75.57	76.54	74.88
May 31, 2016	74.79	75.69	76.61	74.79

Source: www.rbi.org.in

**Note: High, low and average are based on the RBI reference rates*

The exchange rate on November 12, 2016 was Rs. 73.11 per Euro 1

FORWARD-LOOKING STATEMENTS

All statements contained in this Placement Document that are not statements of historical fact constitute 'Forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'are likely' 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'will achieve', 'will continue', 'will likely result', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- dependence on a limited number of clients, and a loss of or significant decrease in business from them;
- fluctuation in the prices of raw materials;
- slowdown in end-user industries;
- failure in implementing our strategies;
- difficulty in integrating and managing strategic investments and alliances, acquisitions and mergers in the future;
- inability to accurately forecast demand for our products and plan production schedules in advance;
- volatility in the cost and availability of raw materials;
- interruptions at our manufacturing facilities;
- general, political, social and economic conditions in India and elsewhere;
- inability to attract or retain senior management and key managerial personnel;
- exchange rate fluctuation;
- changing laws, rules, regulations, Government policies and legal uncertainties; and
- slowdown in economic growth in India or the other countries in which we operate.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled "*Risk Factors*", "*Industry Overview*", "*Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*". By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact or net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability public company incorporated under the laws of India. All of our Company's Directors and key managerial personnel are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties in courts outside of India.

Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Code on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

(a) the judgment has not been pronounced by a court of competent jurisdiction;
(b) the judgment has not been given on the merits of the case;
(c) it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable;
(d) the proceedings in which the judgment was obtained are opposed to natural justice;
(e) the judgment has been obtained by fraud; and
(f) the judgment sustains a claim founded on a breach of any law in force in India.

Under the Civil Code, a court in India shall presume, upon the production of any document purporting to be a certified copy of a foreign judgment, that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and does not include arbitration awards.

The United Kingdom, Singapore and Hong Kong, amongst others have been declared by the Government to be a "reciprocating territory" for the purposes of Section 44A of the Civil Code, but the United States of America has not been so declared. A judgment of a court of a country which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. A judgment of a superior court of a country which is a reciprocating territory may be enforced by proceedings in execution, and a judgment not of a superior court, by a fresh suit resulting in a judgment or order. The latter suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, and is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. Our Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

RISK FACTORS

This offering and an investment in Equity Shares involve a high degree of risk. This section describes the risks that we currently believe may materially affect our business and operations. You should carefully consider the following, in addition to any forward-looking statements and the cautionary statements in this Placement Document and the other information contained in this Placement Document, before making any investment decision relating to the Equity Shares. Prospective investors should read this section in conjunction with the sections 'Business', 'Industry Overview' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' as well as other financial and statistical information contained in this Placement Document. Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Placement Document before making any investment decision relating to our Equity Shares. The occurrence of any of the following events, or the occurrence of other risks that are not currently known or are now deemed immaterial, could cause our business, results of operations, cash flows, financial condition and prospects to suffer and could cause the market price of our Equity Shares to decline or fall significantly and you may lose all or part of your investment.

The risks described below are not the only ones relevant to us or the Equity Shares. Additional risks that may be unknown to us and some risks that we do not currently believe to be material could subsequently turn out to be material. Although we seek to mitigate or minimize these risks, one or more of a combination of these risks could materially and adversely impact our business, financial condition and results of operations. Investors should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory regime which in some respects may be different from that applicable in other countries. Investors should consult tax, financial and legal advisors about the particular consequences of an investment in the Issue.

Unless otherwise indicated, all financial information included in this section has been derived from our Audited Consolidated Financial Statements for the Fiscals 2014, 2015 and 2016, included elsewhere in this Placement Document.

INTERNAL RISK FACTORS

Our indebtedness and the conditions and restrictions imposed by our financing agreements could adversely affect our ability to conduct our business and operations

Our indebtedness and the restrictive covenants imposed upon us with certain debt facilities could restrict our ability to conduct our business and grow our operations, which would adversely affect our financial condition and results of operations. We may in the future incur additional indebtedness in connection with our operations.

Our indebtedness could have several important consequences on our future financial results and business prospects, including but not limited to the following:

- a substantial portion of our cash flow will be used towards servicing and repayment of our existing debt, which will reduce the availability of cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favorable to us may be limited;
- fluctuations in market interest rates will affect the cost of our borrowings;
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions;
- we may have difficulty satisfying payment and other obligations under our existing financing arrangements and an inability to comply with these requirements could result in an event of default, acceleration of our repayment obligations and enforcement of related security interests over our assets; and
- we may be restricted from making dividend payments to our shareholders under certain circumstances.

There are certain restrictive covenants in the arrangement we have entered into with our lenders. Under the terms of certain of our Company's debt agreements, we are required to send intimation to our lenders for creating, assuming or incurring any additional long-term indebtedness. There can be no assurance that we have, or will, at all times, complied with all of the terms of the said financing documents. Any failure to service our Company's indebtedness and/or to comply with all of the terms of the said financing documents could have an adverse effect on our results of operations and/or profitability.

Our Company is dependent on the continued efforts of our senior management team and the loss of key members or failure to attract skilled personnel may adversely affect our business.

Our future success depends on the continued services and performance of the members of our management team and other key employees. Competition for senior management in the industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of key persons in the organization could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations, financial condition and cash flows. We do not maintain 'key man' life insurance for our promoter, senior members of our management team or other key personnel.

The success of our business will also depend on our ability to identify, attract, hire, train, retain and motivate skilled personnel. Demand for qualified professional personnel is high and these personnel are in limited supply. Our professionals are highly sought after by our competitors as well as other Indian companies, particularly as India's economy continues to grow and mature. If we fail to hire and retain sufficient numbers of qualified personnel for functions such as manufacturing, technical, finance, marketing, sales, operations and research and development, our business operating results and financial condition could be adversely affected.

We will continue to be controlled by our Promoters after the completion of the Issue

After the completion of the Issue, our Promoter and Promoter Group will continue to exercise control over us, including being able to influence the composition of our Board and influence matters requiring shareholder approval. Our Promoter and Promoter Group may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. Through their influence, our Promoter and Promoter Group may be in a position to delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

We have entered into certain transactions with related parties in the past and may continue to do so in the future. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

Our Company has entered into transactions with several related parties, including our Promoters, Directors and Subsidiaries, which were conducted in compliance with applicable laws and on arm's length basis. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions that the Company has entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest.

There are outstanding legal proceedings against us, which if determined adversely, could affect our business, results of operations and financial condition.

There are certain outstanding legal proceedings initiated against us. These proceedings are pending at different levels of adjudication, before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable as on the date of this Placement Document and includes the amounts claimed jointly and severally from us and other parties. Should there be any new developments, such as any change in applicable laws or, any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities. There can be no assurance that these proceedings will be determined against our favor or that penal or other action will not be taken against us. Any adverse decision in such proceedings may have an adverse effect on our business, results of operations and financial condition. For further information, along with the disclosures including, inter alia, the amount involved, period for which such demands or claims are outstanding, financial implications and the status of the proceedings, see the section titled "*Legal Proceedings*" of this Placement Document.

We require certain regulatory approvals and licenses in the ordinary course of our business, and the failure to obtain, maintain and renew these approvals and licenses necessary for carrying out our business, in a timely manner or at all, may adversely affect our operations.

We are subject to various environmental, health and safety, employee-related and other laws and regulations applicable to our business operations, including laws and regulations governing our relationship with our employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and terminating employees, contract labor and work permits, as well as other local laws or regulations in the countries in which we operate. The success of our strategy to modernize, optimize and expand our existing operations in the sectors in which we operate is contingent upon, among other factors, receipt of all required licenses, permits and authorizations, including local land use permits, building and zoning permits, environmental permits, and health and safety permits.

Although we believe that we are in compliance with all environmental, health and safety, employee-related and other applicable laws and regulations currently in force, changes in laws or regulations in the countries in which we operate may result in us incurring significant costs in order to maintain compliance with such laws and regulations and may delay or prevent project completion. There can be no assurances that the legal framework, licensing and other regulatory requirements or enforcement trends in our industry will not further change in a manner that does not result in increased costs of compliance, or that we will be successful in responding to such changes. Moreover, as we grow our business, the potential for violating these laws and regulations may also increase.

If we fail to comply with any existing laws and regulations, or fail to obtain, maintain or renew any of the required licenses or approvals, the relevant regulatory authorities may impose fines and penalties on us, revoke our business licenses and approvals and/or require us to discontinue our business or impose restrictions on the affected portion of our business. Any action brought against us for alleged violations of laws or regulations, even if our defense thereof is successful, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. Any determination that we have violated, or the public announcement that we are being investigated for possible violations, of these laws or regulations, could harm our reputation, operating results and financial condition. If we are found in violation, we may be subject to any applicable penalties associated with such violations, including civil and criminal penalties, damages and fines, loss of various licenses, certificates, accreditations or authorizations, orders to refund payments received by us, and orders to curtail or cease our operations. If we lose or otherwise are unable to maintain any of our required licenses and approvals under applicable laws and regulations, our business operations will be materially and adversely affected.

Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees.

While we have not experienced any significant employee related issues in the past, there can be no assurance that we will not experience any strikes, work stoppages or other industrial actions or that these situations will not disrupt our business and operations in the future. In the event that we are unable to manage any employee related issues or negotiate any settlement with our workers on acceptable terms, it could result in strikes, work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. In addition, such industrial disruptions or work stoppages may result in production losses and delays in delivery of products, which may adversely affect our business prospects, reputation, and results of operations.

Change in Technology and trends in the industry may affect Company's ability to compete. Any failure to keep abreast of the latest trends in the Paper Industry may adversely affect the competitiveness and ability of the Company to compete with newer generation products.

Management Perception: The Company is in the Paper business for over 25 years, and has the requisite experience and ability to adapt to newer generation products and technology. The Company is well aware of the development of market description, consumer preferences, industry consumption pattern, competition, regulations etc. The current up gradation and modernization project is in line with the Company's constant endeavor to keep itself abreast of latest technological advances and systems.

The business of the Company is dependent on its manufacturing facilities to a large extent. The loss of or shutdown of operations may have a material adverse effect on the business, financial condition and results of operations of the Company.

The existing paper manufacturing facilities of the Company are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural calamities, industrial accidents and the need to comply with the directives of relevant government authorities.

The occurrence of any of these risks could significantly affect the operating results of the Company**.**

Our insurance coverage may not be sufficient to cover all of our potential losses.

Our business may involve risks and hazards which could adversely affect our profitability, including natural calamities, breakdowns, failure or substandard performance of equipment, third party liability claims, labor disturbances, employee fraud and infrastructure failure. Our Company cannot assure you that the operation of our business will not be affected by any such incidents or hazards. In addition, our insurance may not provide adequate coverage in such circumstances including those involving claims by third parties and is subject to certain deductibles, exclusions and limits on coverage. If our arrangements for insurance or indemnification are not adequate to cover claims, including those exceeding policy aggregate limitations or exceeding the resources of the indemnifying party, our Company may be required to make substantial payments and our results of operations and financial condition may be adversely affected.

We face growing and new competition from domestic and international players that may adversely affect our competitive position and profitability.

Significant additional competition in the markets where our Company sells its products may erode its market share and may result in reduced prices and thereby may negatively affect our revenues and profitability. Competition from competent low cost competitors may adversely impact our revenues. In most of the markets, players are significantly larger than the Company and have significantly stronger market positions, production capacities and greater financial resources than it possesses. These market participants include other small, limited-range providers and a number of full-range companies. The larger competitors have a much broader portfolio of business, greater resources and more experience than smaller companies.

The Company has experienced negative cash flows in some of the previous years.

The Company has experienced negative cash flows in some of the previous years. The details of the last 4 years are as under:

Rs. in lacs

Particulars	2012-13	2013-14	2014-15	2015-16
Net Change in Cash and Cash equivalents	(51.87)	(88.73)	(22.36)	31.04

Our company has filed an application before lenders for restructuring of its credit facilities and lenders have accepted the request of the company and restructured credit facilities available to the company.

Our Company does not currently own the premises at which its Registered Office is located.

We have entered into Leave and Licence agreement for our Registered Office located at 5/6, Papa Industrial Estate, Suren Road, Andheri (E), Mumbai-400093 with Mr. Manoj Jitendra Doshi and pay rent for the occupation of the said premises. The rent agreement may be renewed subject to the consent of the lessor. In the event that the lessor requires us to vacate the premises, we will have to seek a new premises at short notice and for a price that may be higher than what we are currently paying, which may affect our ability to conduct our business or increase our operating costs.

If we fail to comply with Environmental Laws and Regulations or face Environmental Litigation, results of operation may be adversely affected.

We are adhering to environmental norms adequately for the existing operations. We may incur substantial costs to comply with requirements of environmental laws and regulations. Our Company is subject to significant national and state environmental laws and regulations, which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from its operations. Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. However, we do not foresee and difficulty to comply with the same.

We are dependent on third party transportation providers for the supply of raw materials and delivery of finished products.

We use third-party transportation providers for the supply of most of our raw materials and for delivery of our products to our customers. Transportation strikes, by members of various Indian transport union have had in the past, and could in the future, have an adverse effect on our receipt of supplies and our ability to deliver our products to our customers. In addition, continuing increase in transportation costs may have an adverse effect on our business and results of operations.

We are a medium size Paper-manufacturing unit and will have to compete with big players in the field who have better economies of scale with higher capacity. Paper industry gets low priority from Policy makers.

The competition is inevitable in any line of business and we are coping with competitions in the past by focusing our products, canalizing our sales through dedicated dealers, managing raw materials, fuel and technological changes. The same would be continued in future also. In the highly competitive industry, our company follows a competitive approach, which is not just limited to manufacturing process but also extends to entire operations. Our company extends the quality management responsibility from the quality control department to every member on the shop floor.

Past performance not an indicator for future performance

Our revenues and profitability are dependent on a number of factors and may vary significantly from quarter to quarter. Therefore, the historical financial results may not be accurate indicator of future performance.

Risk in relation to Paper Industry.

The Paper Industry is cyclic in nature and operating results has historically fluctuated on a yearly basis and may fluctuate in future depending on a number of factors including the international prices of paper, fluctuation in rupee value, import tariff, domestic duties and taxes, changes in relationship between and revenue and cost and consolidation in the paper industry, effect of seasonality, availability of raw material, change of Government policies, addition of new machinery and other general economic and business factors. Due to all or any of these factors it is possible that in future, our operating results may vary from the expectations of shareholders, market analysts and public.

Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.

The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on various factors. Accordingly, realization of a gain on shareholder investments will depend on the appreciation of the price of the Equity Shares. There is no assurance that the Equity Shares will appreciate in value. We cannot assure you that we will be able to pay dividends in the future. For details of dividend paid by our Company in the past, see "*Dividends*".

Any damages caused by fraud, theft or other misconduct by our employees could adversely affect our profitability, results of operations and cash flows.

We are exposed to operational risk arising from inadequacy or failure of internal processes or systems or from fraud or theft. We are susceptible to fraud or misappropriation by our employees or outsiders. Our management information systems and internal control procedures are designed to monitor our operations and overall compliance. However, they may not be able to identify non-compliance and/or suspicious transactions in a timely manner or at all. As a result, we may suffer monetary losses, which may not be covered by our insurance and may thereby adversely affect our profitability, results of operations and cash flows. Such a result may also adversely affect our reputation.

Increases in interest rates may materially impact our results of operations.

As our business is capital intensive, we are exposed to interest rate risks. Interest rates for borrowings have been volatile in India in recent periods. Some of our current debt facilities carry interest at variable rates as well as fixed rates with periodic resets of interest rates. Although we may decide to engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective interest rate reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties in hedging transactions will perform their obligations, or that such agreements, if entered into, will protect us adequately against interest rate risks. Accordingly, the increase of our interest expense may have an adverse effect on the cost of our debt funding and our results operations and financial condition may be adversely affected.

Our funding requirements and deployment of the net proceeds of the Issue are based on management estimates and have not been independently appraised, and are not subject to monitoring by any independent agency.

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates, current quotations from suppliers and our current business plan. The fund requirements and intended use of proceeds have not been appraised by any bank or financial institution. In view of the competitive and dynamic nature of the Paper industry, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates, which may not be within the control of our management. This may entail rescheduling, revising or canceling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our Board.

We depend on banks and financial institutions and other sources for meeting our short and medium term financial requirements.

We do not have access to any short and medium term funding arrangements. We rely entirely upon banks and financial institutions to fulfill such fund requirements. In the event of any delay in the disbursal of funds from these bodies there can be a bottleneck to our project execution capabilities.

A Part of the shareholdings of our Promoters is pledged with Lenders.

The persons belonging to Promoter and Promoter Group of the company currently had pledged 36743133 equity shares with the Lenders. In the event of default of payment to the Lenders, the pledge could be invoked by the Lenders which could lead to instabilities in the shares price of the Company.

SEBI also levied a penalty for non-compliance against the promoters.

SEBI had levied a penalty of Rs 3,15,000/- (Rupees Three Lac and Fifteen Thousand) against Mr. Amrut Premji Shah, Our Promoter, Chairman and Managing director of the company for non- compliance with the provisions of Regulation 10(5) and 10 (6) of SEBI (SAST) Regulations, 2011 and subsequent amendments thereto. The sum of Rs. 3,15,000/- has been remitted in order to settle the charges.

The company has experienced losses in the past years

Our company has incurring losses during past 3 years and the details of which are as under.

(Amount in Lacs)

Particulars	2015-16	2014-15	2013-14
Profit /(Loss) during the year	(871.76)	(2266.84)	(358.77)

Management perception: These losses are non-operational losses

EXTERNAL RISK FACTORS

If acts of terrorism and other similar threats to security, communal disturbances or riots erupt in India, or if regional hostilities increase, this would adversely affect the Indian economy, and our business, results of operations and cash flows.

India has experienced communal disturbances, terrorist attacks and riots in the past. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. The Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries, including those between India and Pakistan. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, as well as other acts of violence or war could influence the Indian economy by creating a perception that investments in India involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

Natural disasters and other calamities could have a negative impact on the Indian economy and could cause our business to suffer and the trading price of our Equity Shares to decline.

India has experienced natural disasters like earthquakes, floods, tsunamis and drought in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Health epidemics could also disrupt our business, including the most highly pathogenic strains of avian and swine influenza, H5N1 and H1N1. Certain countries in Southeast Asia have reported cases of bird to human transmission of avian and swine influenza resulting in numerous human deaths. Moreover, certain areas of India have experienced outbreaks of H5N1 among livestock. The World Health Organization and other agencies have issued warnings on a potential avian or swine influenza pandemic if there is sustained human to human transmission. Future outbreaks of avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. As a result, any present or future outbreak of avian or swine influenza or other contagious disease could adversely affect our business.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact us. A rapid decrease in reserves would also create risk of higher interest rates and a consequent slowdown in growth.

Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Rupee. There can be no assurance that India's foreign exchange reserves will not decrease in the future. Further, a decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates, which could adversely affect our business, financial condition, results of operations and cash flows.

Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition, cash flows and results of operations.

Our financial statements, including the financial statements included in this Placement Document, were prepared in accordance with Indian GAAP. No attempt has been made to reconcile any of the information given in this Placement Document to any other principles or to base it on any other standards. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries.

If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. In making an investment decision, investors must rely upon their own examination of us, the terms of this Issue and the financial information contained in this Placement Document.

Certain companies in India, including us, may be required to prepare financial statements under IFRS or a variation thereof, IND-AS. We may be adversely affected by the transition to IFRS or IND-AS in India.

Ministry of Corporate Affairs, Government of India (the "**MCA**") on February 16, 2015 notified the Companies (Indian Accounting Standards) Rules, 2015, (the "**Rules**") laying down the road map for the implementation of IND-AS in a phased manner. We have not determined with any degree of certainty the impact that such adoption IND-AS, if the aforesaid exemption is lifted, will have on our financial reporting. Therefore, there can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IND-AS than under Indian GAAP. In our transition to IND-AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS- experienced accounting personnel available as more Indian companies begin to prepare IND-AS financial statements. Further, there is no significant body of established practice on which to draw in forming judgments regarding the new system's implementation and application. There can be no assurance that our adoption of IND-AS, if mandated by law, will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IND-AS could adversely affect our financial condition, results of operations and cash flows.

Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty, tax on dividends and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business, cash flows and results of operations.

Our ability to raise foreign capital may be constrained by Indian law, which may adversely affect our business, financial condition, cash flows and results of operations.

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 our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business, financial condition, cash flows and results of operations.

Investors in the Equity Shares may not be able to enforce a judgment of a foreign court against us, our directors or executive officers.

We are a limited liability company incorporated under the laws of India. Almost all of our Directors and key managerial personnel are residents of India and all of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside India, or to enforce judgments obtained against such parties in courts outside of India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy. For details, see "*Enforcement of Civil Liabilities*". A party seeking to enforce a foreign judgment in India is required to obtain approval from RBI to execute such a judgment or to repatriate outside India any amount recovered. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law

We cannot guarantee that our Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner, or at all.

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to this Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of the Equity Shares to be submitted. There could be a failure or delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing of our Equity Shares on the Stock Exchanges. Any failure or delay in obtaining these approvals would restrict an investor's ability to dispose of the Equity Shares.

An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of the issue of the Equity Shares.

The Equity Shares in this Issue are subject to restrictions on transfers. Pursuant to the ICDR Regulations, for a period of 12 months from the date of the issue of Equity Shares in the Issue, QIBs subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the Stock Exchanges and may not enter into any off market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Further, allotments made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock- in requirements. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

After this Issue, the price of our Equity Shares may be volatile.

The Issue Price will be determined by us in consultation with the Lead Manager, based on Bids received in compliance with Chapter VIII of the ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is completed. The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian financial services industry and the perception in the market about investments in the financial services industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares are offered in this Issue or the price at which the Equity Shares will trade in the market subsequent to this Issue.

Fluctuations in the exchange rate between the Indian Rupee and other currencies could have an adverse effect on the value of our Equity Shares in those currencies, independent of our operating results.

Our Equity Shares are quoted in Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rate between the Indian Rupee and other currencies (such as, the U.S. dollar, the Euro, the pound sterling and the Singapore dollar) has changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from our Equity Shares in foreign currency terms, independent of our operating results.

Any future issuance of the Equity Shares by us or sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares.

Any future issuance of Equity Shares by us, such as a primary offering or pursuant to a preferential allotment, may dilute your shareholding in us, adversely affect the trading price of our Equity Shares and could affect our ability to raise capital through an issuance of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. Additionally, the disposal of Equity Shares by any of our significant shareholders or our promoters, any future issuance of Equity Shares by any of our significant shareholders or Promoters, any future issuance of Equity Shares by us or the perception that such issuances or sales may occur may significantly affect the trading price of the Equity Shares. Except for the customary lock-up on the Company's ability to issue equity or equity linked securities discussed in "*Placement*", there is no restriction on our ability to issue Equity Shares or our major shareholders' ability to dispose of their Equity Shares, and we cannot assure you that we will not issue Equity Shares or that any major shareholder will not dispose of, encumber, or pledge, its Equity Shares. Such securities may also be issued at prices below the then current trading price of our Equity Shares. Sales of Equity Shares by our major shareholders may also adversely affect the trading price of our Equity Shares.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

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

Under the foreign exchange regulations currently in force in India, transfers of the Equity Shares between non- residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of the Equity Shares is not in compliance with such pricing guidelines or reporting requirements and does not fall under any of the specified exceptions, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of the Equity Shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. These foreign investment restrictions may adversely affect the liquidity and free transferability of the Equity Shares and could result in an adverse effect on the price of the Equity Shares.

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

We are subject to a daily "circuit breaker" imposed by the Stock Exchanges, which does not allow transactions beyond certain specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breaker generally imposed by the SEBI on Indian stock exchanges. The maximum movement allowed in the price of the Equity Shares before the circuit breaker is triggered is determined by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges will inform us of the triggering point of the circuit breaker in effect from time to time, but it may change without our knowledge. This circuit break will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance that shareholders will be able to sell the Equity Shares at their preferred price or at all at any particular point in time.

Conditions in the Stock Exchanges may affect the price and liquidity of the Equity Shares.

Indian stock exchanges are smaller than stock markets in developed economies and have in the past experienced substantial fluctuations in the prices of listed securities. Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies. These problems have included temporary closure of the stock exchanges to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of Indian stock exchanges have from time to time restricted securities from trading, limited price movements and imposed margin requirements. For more information on the securities market of India, see "*The Securities Market of India*".

Applicants to the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

In terms of the ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The Allotment of the Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

SUMMARY OF THE BUSINESS

Overview

We designs, manufacturers and markets paper stationery products- exercise note books, long books, note pads, scrap books, drawing books, graph books- for students of all ages, as well as office/ corporate stationery products and printing, writing and packaging paper.

We have over 190 varieties of paper stationery products under the brand "Sundaram" which are very popular among the student communities and enjoy very high reputation in the market for its superb quality and durability.

At the start of the Company in the year 1995, we had a capacity of 5 tons per day of conversion of paper into paper stationery, which was increased to 60 tons per day as of now which is also considering 75% utilization of machinery.

With the strong brand and market penetration we are present in pan Maharashtra and are number one brand among consumers today.

Some of our major customers are:

1. Surya Marketing (Masjid Bunder)
2. Prince Paper (Vile-Parle)
3. Star Marketing (Kandivali)
4. Partel Compu Products (Byculla)

In Fiscals 2016, 2015 and 2014, our consolidated net revenue from operations including other income was Rs. 9880.24 Lakhs, Rs. 8512.65 lakhs and Rs. 15701.44 lakhs, respectively. We had a consolidated net loss of Rs. (871.76) lakhs, Rs. (2266.83) lakhs and Rs. (358.77) lakhs in Fiscals 2016, 2015 and 2014, respectively. As at March 31, 2016, we had consolidated total assets of Rs. 19010.06 lakhs and consolidated total liabilities of Rs. 19010.06lakhs.

Our Strengths

We believe that our business has the following key competitive strengths.

- SMPL believes that research and development has been the key for their huge success. Sundaram relies on various new designs and themes (selected by their R & D Team) to remain a leader in the Stationery market in India as well as abroad.
- Company firmly believes that its growth and success achieved is also contributed by the surrounding environment and community in which it operates and to acknowledge this Company has very consciously undertaken community development projects particularly in the field of providing primary and secondary education in and around Palghar as well as in Kutch.
- As a result of the present scenario and massive government allocation for education segment, books and paper segment is one of the fastest growing segments comprising of approximately USD 40 billion Indian Education Market. Nationally there are only 3-4 bigger players and Sundaram is one of them. There is no real competition in terms of quality and cost.
- In 1996 Sundaram went public and registered at the Stock Exchange. Public companies have an edge over private companies as they are required to have sufficient members on the management and company's board, thus acquiring a wider perspective of any business dilemma and making resolving process easier and efficient. These companies are also mandated to disclose their financial and operational activities, thereby providing transparency in their operations and generating goodwill for the company. This also helps the company raise funds from the market at favorable terms.
- With a strong brand and marketing activities sales will increase without any hurdle.
- The company has already invested in the manufacturing unit and a lot in its brand building activities.
- The biggest strength of dealer-distributor network plays and important role in this segment and product.
- Management and group experience of over 29 years in the same field is the biggest strength for this business.

Our Strategies

We intend to grow our businesses by implementing the following strategies:

a) The management of the company has opted for Qualified Institutional Placement of Equity shares and at the same time to reduce the debt of the company.

b) The management of the company is in the initial discussion with the parties to sell out its Paper Mill situated at Nagpur.

c) The company can also sale out its land parcel situated at Palghar to reduce the debt further.

d) Due to reduction in the debt of the company and its interest leverage served to the bank, the company will optimize its business production and that will impact the top and the bottom line of the company.

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources such as the SIAM and ACMA. Neither the Company, nor the LEAD MANAGER or any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

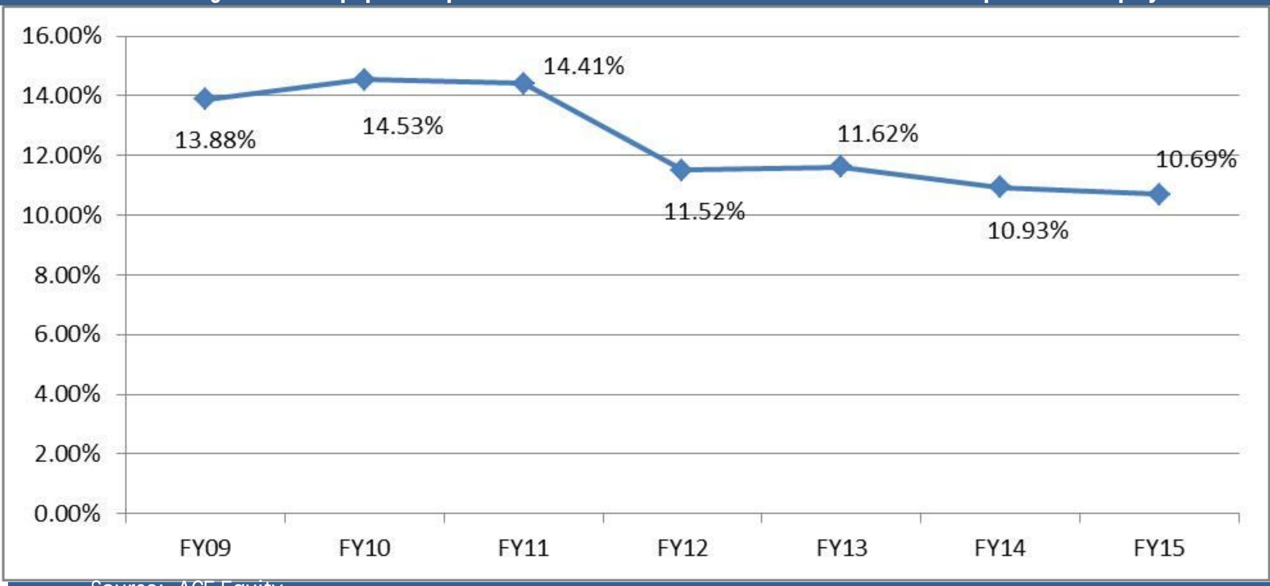
The Indian paper industry with approximately 13 mn tonnes of capacity accounts for about 3% of global paper production. According to Indian Paper Mills Association, the domestic consumption of paper in India during 2014-15 was 13.9 mn tones, yoy growth of 6%. The per capita consumption of paper in India stands at ~11 kg, which is relatively lower compared to other developed and developing countries. With increasing focus by government on education and general uptick in macro economy, CARE Rating expects Indian paper industry to witness a CAGR of 7% over the next five years to about 20 mn tones. The growth will be largely driven by printing & writing and packaging & paper board segment. The Indian paper industry can be broadly classified into three segments:

1. **Printing & writing (P&W):** Printing and writing segment caters to office stationary, textbooks, copier papers, notebooks etc. This segment forms ~31% of domestic paper industry. Governments thrust on education through steps like Right to Education, Sarva Shiksha Abhiyan, rise in service sector are key factors contributing to the growth of this segment.
2. **Packaging & paper board:** Packaging paper & board segment caters to tertiary and flexible packaging purposes in industries such as FMCG, food, pharma, textiles etc. This segment forms ~47% of the domestic paper industry. This is currently fastest growing segment owing to factors such as rising urbanization, increasing penetration of organized retail, higher growth in FMCG, pharmaceutical.
3. **Newsprint:** Newsprint serves the newspaper & magazines industry. This segment forms ~18% of Indian paper industry. This segment is under stress due to lower growth rates and import threat.

Operating profit margin improving for paper players from H2FY16

The major cost heads for paper industry players are raw material (constituting ~50% of net sales) and power and fuel cost (constituting ~ 16% of net sales). The operating margins of the paper companies were in the range of 14 % during FY09 to FY11 due to lower costs and better price realizations backed by good demand growth. However, during FY12 to FY14, the operating margin trend showed a declining trend with increase in raw material prices and power and fuel cost largely during FY13. Also, with capacity expansion during FY09 to FY11, players could not increase the prices and faced import threat. Due to this the operating margin declined to ~11% during FY12 to FY14. The fall in margin was arrested in FY15 and H2FY16 witnessed improvement in margins due to declining RM costs and power & fuel cost.

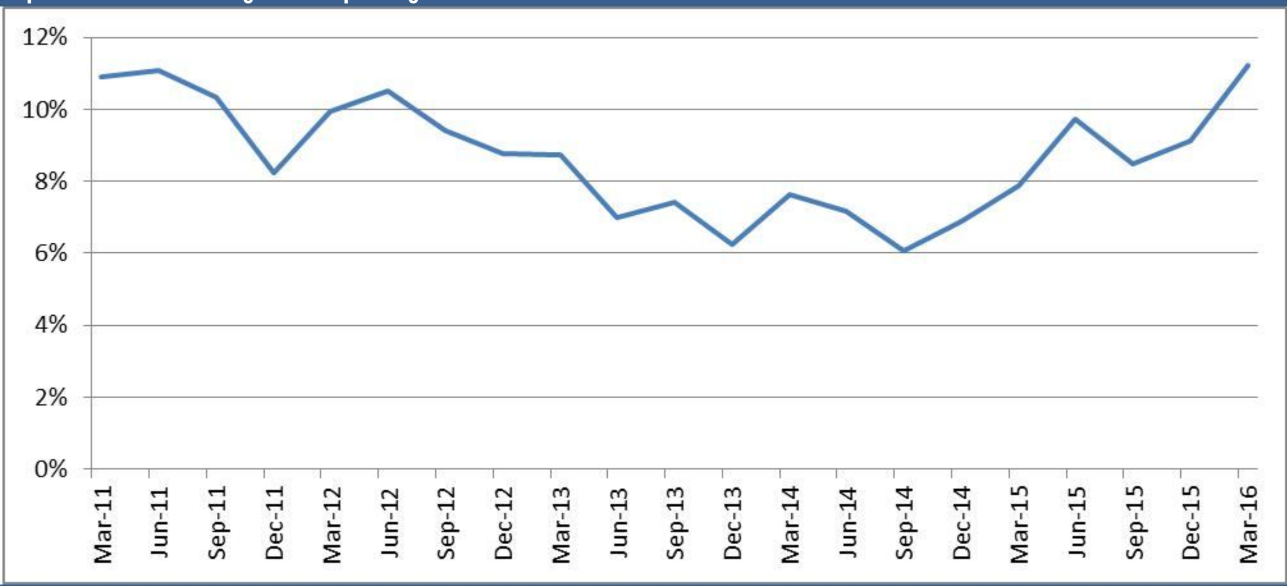
EBIDTA margin trend for paper companies **sample size of 64 players**



Source:- ACE Equity

Within the paper industry, P&W players operating margins improved to 20% in Q4FY16 from a low of 10% in Q2FY14. During FY16, key players increased prices by Rs 2 per kg in December month. Also, the companies benefitted from lower domestic wood prices and coal prices impacting power & fuel cost. Agro forestry initiatives taken by players yielded results.

Paperboard EBIDTA margin too improving



Source:- Ace Equity and CARE Ratings
Sample of companies – NR Agarwal Industries, Shree Ajit Pulp & Paper, South India Paper Mills

Newsprint EBIDTA margin

Source:- ACE Equity and CARE Ratings

Sample of companies – Emami Paper Mills, Shree Rama Newsprint

Stabilizing raw material prices

Pulp is the primary raw material used for manufacturing of paper, and is obtained through processing of fibers separated from wood, wastepaper, agriculture residues etc. Indian paper industry is facing issue of pulpwood deficit in domestic market. To compensate for this deficit, Indian paper companies import pulp. This deficit can be mainly attributed to deforestation, increase in wood demand from other industries like construction industry, plywood & MDF board industry, bio-energy plants etc. To counter the issue of wood deficit, Indian paper companies gave thrust to initiatives like agro forestry which have now started yielding results. The increase in raw material prices from FY11 – FY14 has stabilized from FY15. In Union Budget 2016, basic customs duty on wood in chips or particles for manufacture of paper, paperboard and news print has been reduced to nil from 5%. This will augur well for Indian companies depending upon imported wood chips.

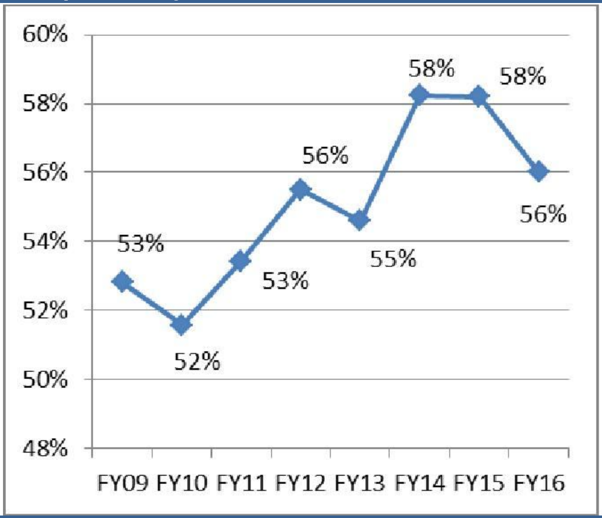
Segment wise RM source:

	RM source	RM cost % to net sales	% of RM imports
P&W	Wood, Bamboo	35%	22%
Paperboard	Agriculture Residue, Wastepaper	60%	45%
Newsprint	Wastepaper	50%	30%

Source: CARE Ratings

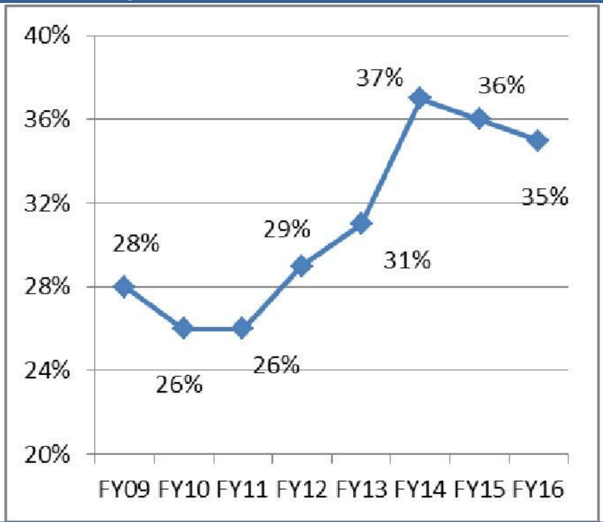
Raw material cost as % of net sales

For Paper Industry



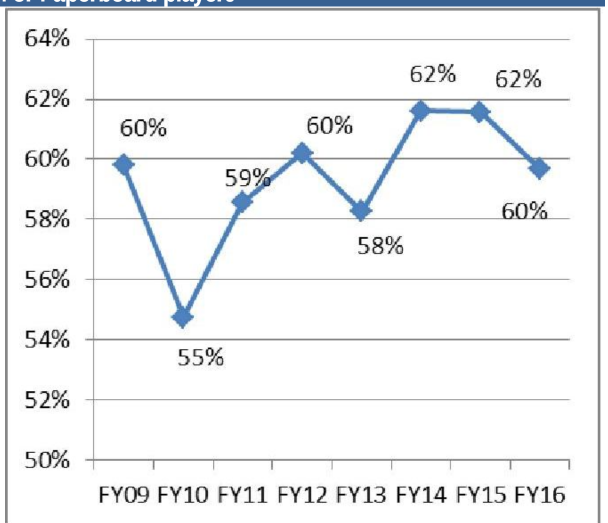
Source:- ACE Equity and CARE Ratings

For P&W Players



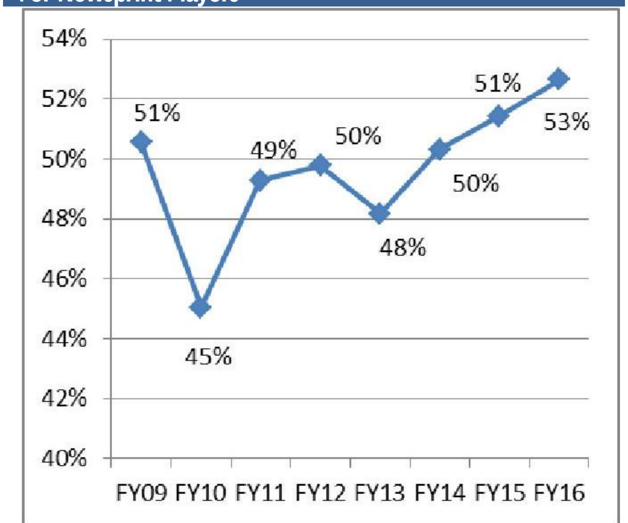
Source:- ACE Equity and CARE Ratings

For Paperboard players



Source:- ACE Equity and CARE Ratings

For Newsprint Players

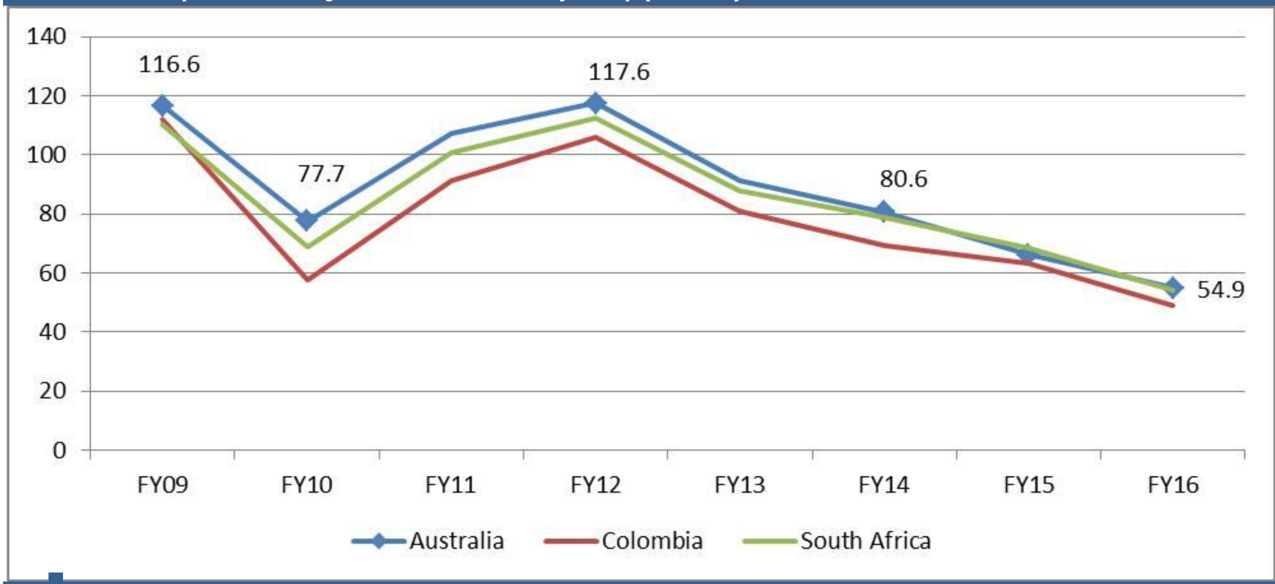


Source:- ACE Equity and CARE Ratings

Declining coal prices to reduce power and fuel cost

Indian paper players depend on imported coal to meet their power requirements. The declining trend in global coal prices has helped Indian paper industry to improve margins. Amongst the various segments, power & fuel cost for P&W players is ~17%, for Paperboard segment is ~15% and for Newsprint segment it is around 18%. Earlier Indian paper industry was considered as core sector industry and hence it used to get coal on priority basis and at subsidized rates but from 2005 it is in non-core list of industries and hence paper players have to purchase domestic coal at higher prices. Timely availability of coal is another pertinent issue. To counter this, Indian paper players rely on imported coal which is available at lower cost as compared to domestic coal. From FY12 to FY16 imported coal prices have reduced by ~53% while INR has depreciated by ~37% to USD, which has benefited Indian paper industry.

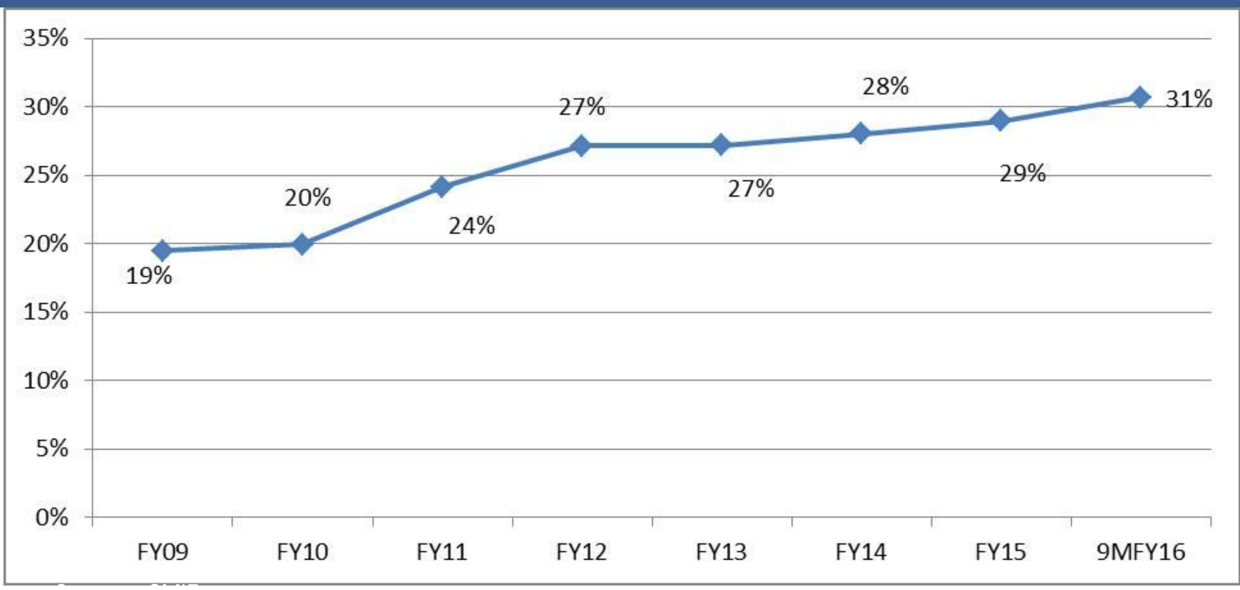
Global coal prices declining in line with commodity slump ($/Tonne)



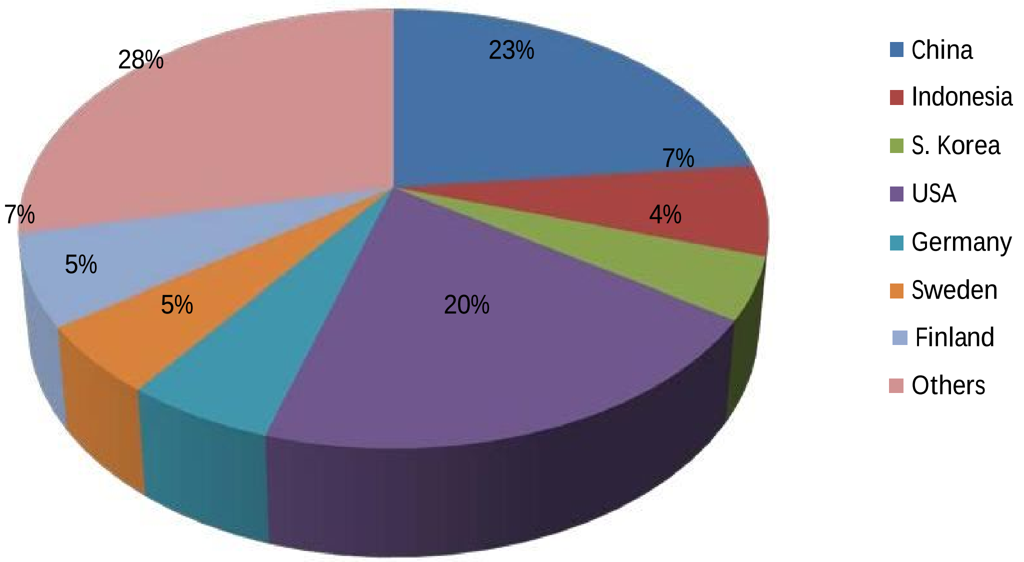
Source:- CMIE

Paper players face import threat

The 2.5% customs duty on paper in India has been brought down to Zero; from 1st January 2014, as per the terms of the free trade agreement with the Association of Southeast Asian Nations (ASEAN). Due to this there has been a rise in paper imports from ASEAN countries which has resulted in increasing share of imports in paper consumption in India. Earlier only few special grade paper and newsprint were imported but now, P&W paper is too being imported. In newsprint segment itself, imports increased from 47% of total consumption in FY09to 59% in FY15.



Country wise Imports % in FY15



Impact on the Credit profile of paper players

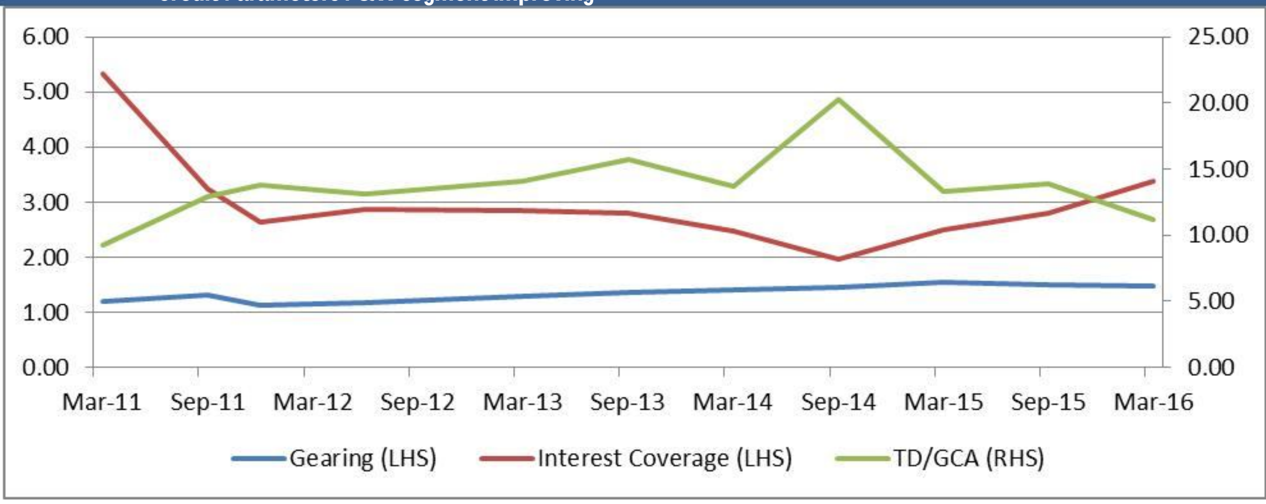
Source: CMIE and CARE Ratings

Impact on the Credit profile of paper players

Increasing cost pressure coupled with stable pricing impacted the financial performance and thus debt protection metrics of the paper players weakened during the period FY12 to FY15. However, CARE Ratings believes that worst is over for its rated players in the P&W paper segment with softening of wood prices and will largely maintain stable credit risk over the near to medium term. This will largely be due to cost pressure subsidizing and expected improvement in domestic demand and export opportunities. Packaging and paperboard segment will benefit from higher growth while newsprint segment will continue to face pressure from newsprint imports.

P&W segment

Credit Parameters P&W segment improving

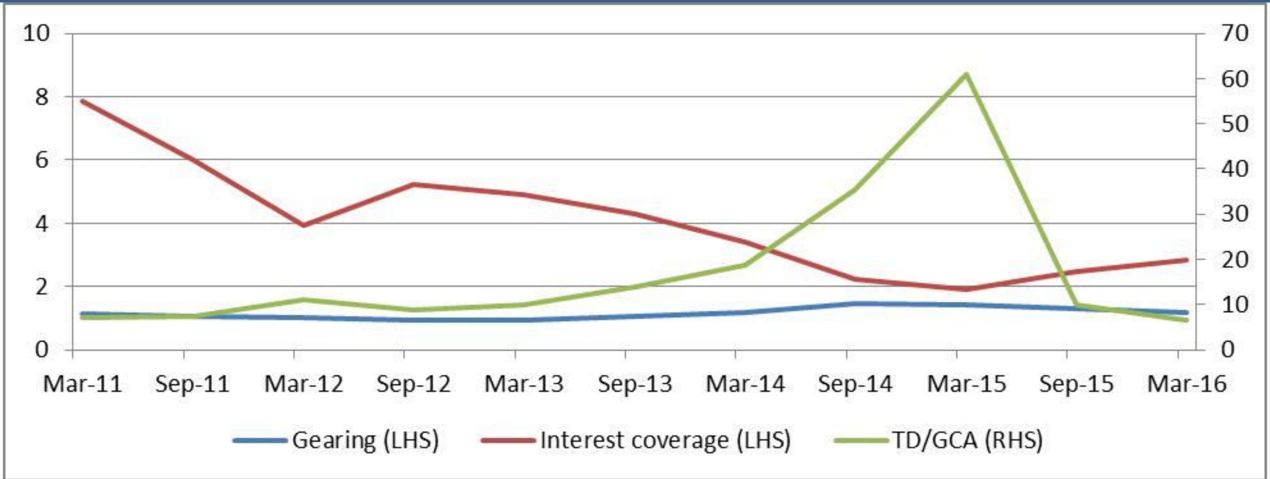


Source:- ACE Equity and CARE Ratings

Sample of companies – Seshasayee Paper and Boards Ltd, JK Paper Limited, Tamil Nadu Newsprint & Papers Limited, International Papers Andhra Pradesh Paper Mills Ltd.

Packaging paper & board

Credit Parameters Packaging paper & board too improving



Source:- ACE Equity and CARE Ratings

Sample of companies – NR Agarwal Industries, Shree Ajit Pulp & Paper, South India Paper Mills,

CARE Rating Dispersion:

Of the paper companies rated by CARE during FY16, 62% are in below investment grade category ('BB' and below category; as seen in the table below) due to several factors such as high raw material cost, inability of companies to pass on incremental raw material cost to customers due to import pressure, high leverage, stretched liquidity position etc. During FY16, the credit profile of CARE rated paper companies has broadly remained stable with 69% companies being reaffirmed.

Credit Profile of CARE rated Paper Players (as on March 31, 2016)

Credit Profile

Rating Band	% of Total rated firms FY14	FY15	FY16
A	13%	14%	12%
BBB	23%	28%	26%
BB	40%	37%	38%
B	12%	13%	16%
C	2%	3%	1%
D	10%	5%	7%

Rating Transition

Rating Transition	% of Total rated firms FY14	FY15	FY16
Downgrade	17%	8%	10%
No Change	68%	58%	69%
Upgrade	15%	33%	21%

Source:- CARE Rating

Source http://www.careratings.com/upload/NewsFiles/SplAnalysis/Indian%20Paper%20Industry%20-%20Out%20of%20the%20woods.pdf

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SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including under the sections titled "Risk Factors", "Use of Proceeds", "Issue Procedure", "Description of Equity Shares".

Issuer	Sundaram Multi Pap Limited
Issue Size	Up to 30000000 Equity Shares aggregating up to maximum of Rs. 15 Crore. A minimum of 10% of the Issue Size, or at least 30000000 Equity Shares, shall be available for allocation to Mutual Funds only, and the balance 27000000 Equity Shares shall be available for allocation to all QIBs, including Mutual Funds
Floor Price	Rs. 4.30 per Equity Share
Issue Price	Rs. [*] per Equity Share
Date of Board Resolution	July 25, 2016
Date of Shareholders Approval	August 29, 2016
Equity Shares issued and outstanding immediately before the issue	21,56,05,773 Equity Shares
Equity Shares issued and outstanding immediately after the issue	24,56,05,773 Equity Shares
Listing	The Company has received in-principle approval from the NSE vide its letter no. [*] dated [*] and BSE vide its letter no. [*] dated [*] under Regulation 28(1) of the Listing Regulations.
Dividend	For more information, see the sections titled *"Description of Equity Shares"*, *"Dividends"* and *"Taxation"*
Taxation	See the section titled *"Taxation"*
Transfer Restrictions	The Equity Shares being Allotted shall not be sold for a period of one year from the date of Allotment except on the floor of the Stock Exchanges. The Equity Shares are subject to certain selling and transfer restrictions. For details, see the sections titled *"Selling Restrictions"* and *"Transfer Restrictions"*
Use of Proceeds	Net proceeds of the Issue (after deduction of fees, commissions and expenses in relation to the Issue) are expected to total approximately Rs. [*].
Risk Factors	See the section titled *"Risk Factors"* for a discussion of factors you should consider before deciding whether to subscribe to the Equity Shares
Pay-in Date	Last date specified in the CAN for payment of Bid monies by the QIBs
Closing Date	[*]
Status and Ranking	Equity Shares being issued shall be subject to the provisions of our Company's Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividends. The Shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, the Listing Regulations and other applicable laws and regulations. See the section titled *"Description of Equity Shares"*
Security Codes for the Equity Shares	**ISIN** INE108E01023 **BSE Code** 533166 **NSE Symbol** SUNDARAM

USE OF PROCEEDS

The total proceeds of the Issue will be up to maximum of INR 15 Crore. After deducting the Issue expenses of approximately, Rs. [*], the net proceeds of the Issue will be approximately Rs. [*].

Subject to compliance with applicable laws and regulations, our Company intends to use the net proceeds of the Issue for optimizing the mix of debt and equity to meet the needs of its growing business.

As on date of this Preliminary Placement Document, neither the Promoters nor the Directors are making any contribution either as part of the Issue or separately in furtherance of the use of the proceeds. Further, none of the Directors, Promoters or key managerial personnel of our Company have any financial or other material interest in the Issue.

Corporate History

Our Company was incorporated as '*Sundaram Multi Pap Limited*', as a Limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated 13th March, 1995 issued by Registrar of Companies, Maharashtra at Mumbai. The company received certificate of commencement of business vide certificate dated 10th April, 1995.

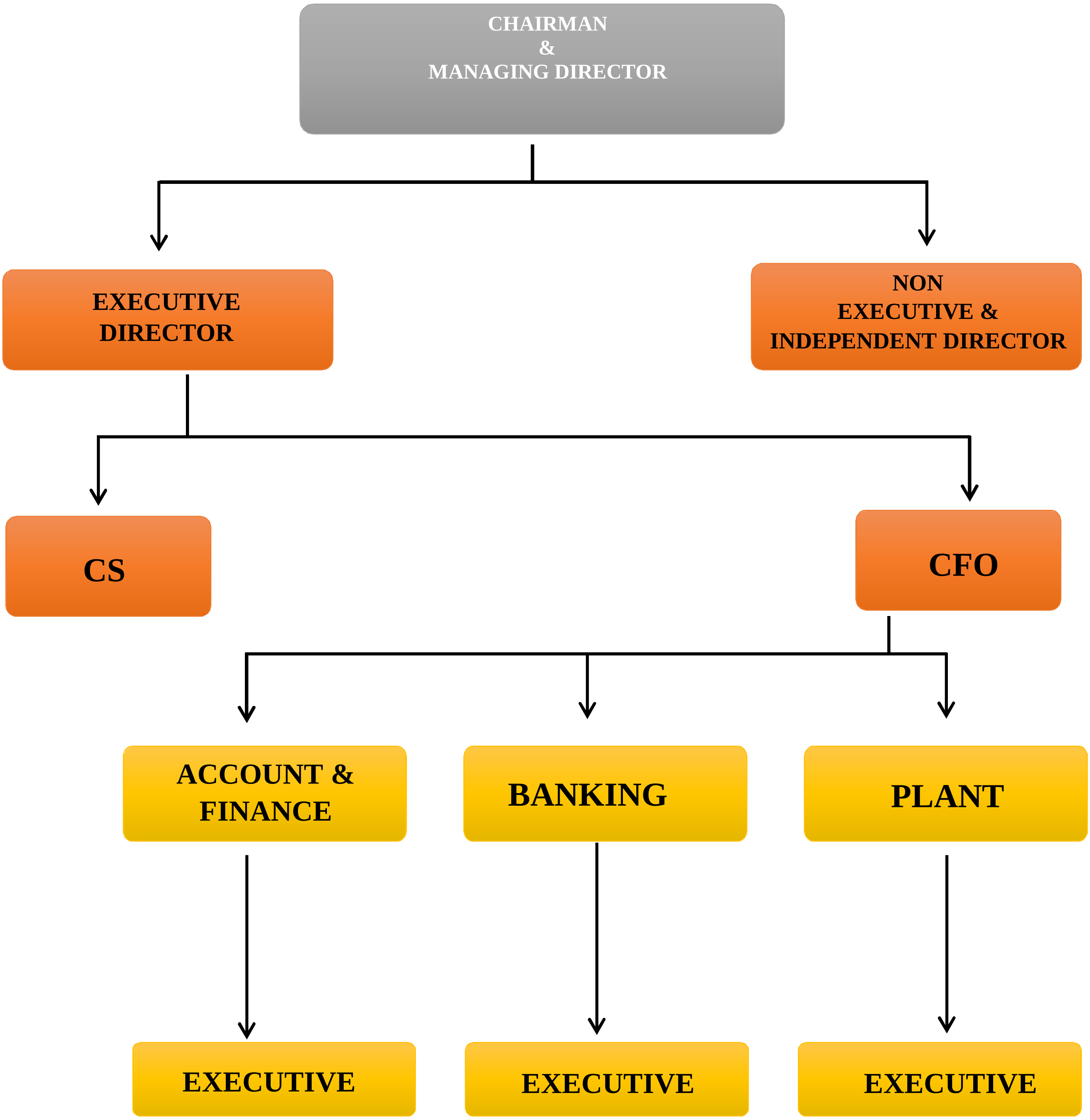
Our Registered & Corporate Office is situated at 5/6 Papa Industrial Estate, Suren Road, Andheri (East) Mumbai-400093, India.

Main Objects

1. To carry on business of Exports, Import, Manufacture, Sales and Purchase of Notebook, Account Book and Register, Paper Stationery such as Voucher, Pad, Receipt Book, Dairies, Files, Envelope, Cards etc., Writing and drawing instrument and Materials, Continuous Computer Stationery and Packing Material.

2. To carry on the business of Export, Import, Manufacturer, Sale and Purchase of Pulp, Paper, Straw Board, Binding Material, Printed Material. All kind of article made from paper or pulp, materials used in the process.

ORGANIZATION STRUCTURE



Subsidiaries

Currently, our Company has only one Subsidiary, namely:

1. E-Class Education System Limited

Details of our Subsidiaries

E-Class Education System Limited

ECESL was incorporated as '*Sundaram Edusys Private Limited*', a private company with limited liability under the Companies Act, 1956, pursuant to a certificate of incorporation dated July 20, 2009. Consequent to a fresh certificate of incorporation dated December 28, 2011, consequent upon change of name. The name of company was changed to its present name 'E-Class Education System Limited'. ECESL's registered office is situated at 5/6 Papa Industrial Estate, Suren Road, Andheri (E), Mumbai-400 093, Maharashtra, India.

BUSINESS

Overview

We designs, manufacturers and markets paper stationery products- exercise note books, long books, note pads, scrap books, drawing books, graph books- for students of all ages, as well as office/ corporate stationery products and printing, writing and packaging paper.

We have over 190 varieties of paper stationery products under the brand "Sundaram" which are very popular among the student communities and enjoy very high reputation in the market for its superb quality and durability.

At the start of the Company in the year 1995, we had a capacity of 5 tons per day of conversion of paper into paper stationery, which was increased to 60 tons per day as of now which is also considering 75% utilization of machinery.

With the strong brand and market penetration we are present in pan Maharashtra and are number one brand among consumers today.

Some of our major customers are:

1. Surya Marketing (Masjid Bunder)
2. Prince Paper (Vile-Parle)
3. Star Marketing (Kandivali)
4. Partel Compuproducts (Byculla)

In Fiscals 2016, 2015 and 2014, our consolidated net revenue from operations was Rs. 9880.24 Lakhs, Rs. 8512.65 lakhs and Rs. 15701.44 lakhs, respectively. We had a consolidated net loss of Rs. (871.76) lakhs, Rs. (2266.83) lakhs and Rs. (358.77) lakhs in Fiscals 2016, 2015 and 2014, respectively. As at March 31, 2016, we had consolidated total assets of Rs. 19010.06 lakhs and consolidated total liabilities of Rs. 19010.06lakhs.

Our Strengths

We believe that our business has the following key competitive strengths:

- SMPL believes that research and development has been the key for their huge success. Sundaram relies on various new designs and themes (selected by their R & D Team) to remain a leader in the Stationery market I India as well as abroad.
- Company firmly believes that its growth and success achieved is also contributed by the surrounding environment and community in which it operates and to acknowledge this Company has very consciously undertaken community development projects particularly in the field of providing primary and secondary education in and around Palghar as well as in Kutch
- As a result of the present scenario and massive government allocation for education segment, books and paper segment is one of the fastest growing segments comprising of approximately USD 40 billion Indian Education Market. Nationally there are only 3-4 bigger players and Sundaram is one of them. There is no real competition in terms of quality and cost.
- In 1996 Sundaram went public and registered at the stock Exchange. Public companies have an edge over private companies as they are required to have sufficient members on the management and company's board, thus acquiring a wider perspective of any business dilemma and making resolving process easier and efficient. These companies are also mandated to disclose their financial and operational activities, thereby providing transparency in their operations and generating goodwill for the company. This also helps the company raise funds from the market at favorable terms.
- With a strong brand and marketing activities sales will increase without any hurdle.
- The company has already invested in the manufacturing unit and a lot in its brand building activities.

- The biggest strength of dealer-distributor network plays and important role in this segment and product.
- Management and group experience of over 29 years in the same field is the biggest strength for this business.

Our Strategies

a) The management of the company has opted for Qualified Institutional Placement of Equity shares and at the same time to reduce the debt of the company.

b) The management of the company is in the initial discussion with the parties to sell out its Paper Mill situated at Nagpur.

c) The company can also sell out its land parcel situated at palghar to reduce the debt further.

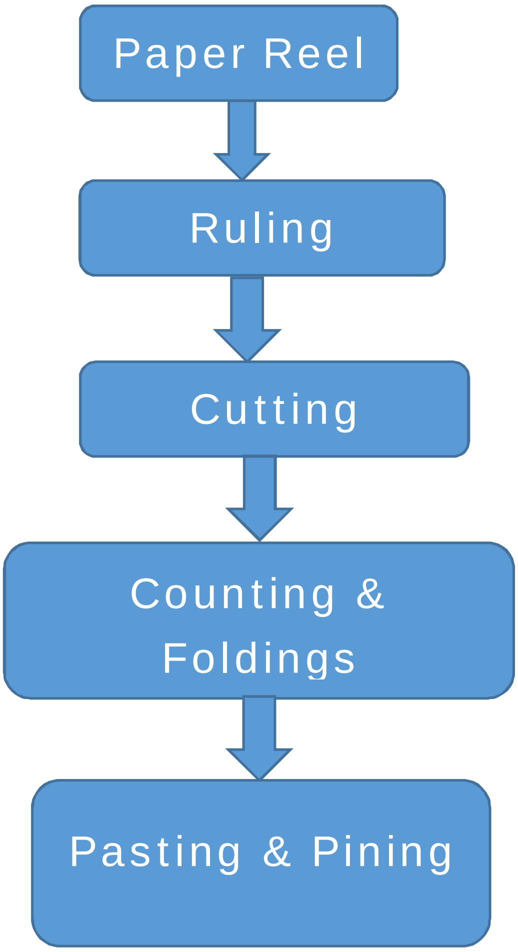
d) Due to reduction in the debt of the company and its interest leverage served to the bank, the company will optimize its business production and that will impact the top and the bottom line of the company.

Herein below the products that we manufacture:

We have over 190 types of products in the market which range from small notebooks to drawing books and note pads. They cover the entire range from schools to colleges to office stationery. Each book has an attractive cover page. We change the cover pages every 6 months depending on the cycle. We also run various competitions and campaigns on the back cover of our books.

The following diagram sets forth the production process:

PRODUCTION PROCESS



Raw Materials

There are basically two major raw material used in our business

i) Paper:
We procure paper from ‘A’ Grade paper mills i.e. The West Coast Paper Mills Ltd., Century Paper Mills Ltd. Etc. Paper quality is known as GSM which is also called as the thickness of the paper which varies from 45 Gsm to 80 Gsm,

ii) Duplex Board:
It used in front and back side of the Exercise Book, the same is measured in GSM. The quality varies from 120 Gsm to 450 Gsm.

Insurance

We maintain insurance cover for our assets to cover all normal risks associated with operations of our business, including fire, accidents and other natural disasters. We typically maintain standard fire and special perils insurance policies for our plants and machineries and buildings at our manufacturing facilities to cover risks such as fire and other ancillary perils. These insurance policies are generally valid for a year and are renewed annually. Our operations are subject to hazards inherent in our industry and other force majeure events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. Not all risks associated with our business and operations may be insurable, on commercially reasonable terms, or at all. Although we believe that the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage.

Human Capital

Our human capital contributes significantly to our business operations and we believe that employees are our valuable asset and core strength. To further support that strength, we have identified skill set building as one of key business drivers, and have focused our employee initiatives in that direction. We periodically organize various trainings for our employees to enhance their knowledge and skills. Our learning and development training programs are governed by quality business management principles adopted by us, which include a principle of in-depth identification of development needs and comprehensive structure of learning and development. We also recognize the importance of retaining critical talents and have introduced development action plans for our managers. We believe that our human resources initiatives led to positive trends in the production, quality, cost, delivery, safety and morale parameters in manufacturing, a higher level of engagement in workers, better working relationships between sales managers and reportees and a drop in front-line attrition. We also engage contract labor depending on our requirements from time to time, particularly at our manufacturing facilities. As of October 31, 2016, we have over 150 persons engaged in our operations out of which 100 employees are engaged in manufacturing processes.

Health, Safety and Environment

We are committed to complying with applicable occupational health, safety and environmental regulations and other requirements in relation to the conduct of our operations. We believe that accidents and occupational health illness cases and hazards can be significantly reduced through the proactive and systematic approach including risks and hazards identification, assessment, analysis and control and by providing appropriate training to employees and contractors. We work proactively towards minimizing or eliminating the impact of hazards to people and the environment. We have formed cross-functional teams to implement fatigue reduction projects to boost productivity and established occupational health centers manned by medical staff operating. Our Indian manufacturing plants are equipped with the first-aid medical facilities where we periodically carry out medical checkups of all our employees as well as our contractors' employees. We also have meditation centre at our plant for workers.

We also have implemented a periodic medical examination program to improve occupational health and safety. Safety induction training for new entrants and periodical trainings for all employees and contractors is a continuous activity, and this system is maintained through constant consultations and communication. Principles of our environment protection measures include reduction, reuse and recycle of waste and prevention of pollution instead of control over it. We have obtained environmental consents to operate our plants conditional upon fulfillment of certain ongoing requirements. We have implemented various projects to reduce greenhouse gases emissions.

Our Manufacturing Facility

Our Registered & Corporate Office is situate at 5/6 Papa Industrial Estate, Suren Road, Andheri (East) Mumbai-400093

The following table consists of details of our manufacturing units as of October 31, 2016:

Entity	Unit	Location
Sundaram Multi-Pap Ltd	Plot No. 33-37, Survey No. 942, Hissa No. 1	OPP. PIDCO, MAHIM VILLAGE, PALGHAR, THANE – 401404
	VPML and JPPL	VILLAGE SEHORA, P.O – KANHAN – 441 401

CAPITALIZATION

The following table sets forth the Company's capitalization and total debt on a standalone basis as on March 31, 2016 and as adjusted to give effect to the Issue. This table should be read in conjunction with the sections titled "*Select Financial Information*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and other financial information contained in the section titled "*Financial Statements*".

Particulars	***(In Rs. Lakhs)***	
	As of March 31, 2016	**As Adjusted for the Issue***
Short term debt (A)		
Secured	1513.60	[*]
Unsecured[#]	329.13	[*]
Long term debt: (B)		
Secured	2027.72	[*]
Unsecured	156.19	[*]
Total debt [C=(A+B)]	**4026.64**	[*]
Shareholders' funds:		
Share capital	2156.06	2456.06
Reserves and Surplus (Excluding revaluation reserve)	4458.76	[*]
Total Shareholders' funds (D)	**6614.82**	[*]
Total capitalization (C+D)	**10641.46**	[*]

CAPITAL STRUCTURE

The detail of the Equity Share capital as on 31st March 2016 of our Company is as set forth below:

	Particulars	Aggregate Nominal Value *(in Rs. Lakhs)*
A	**Authorized Share Capital**	
	25,00,00,000 Equity Shares of face value of Rs. 1/- each	2500.00
B	**Issued, Subscribed and Paid-Up Capital before the Issue**	
	21,56,05,773 Equity Shares of face value of Rs. 1/- each	2156.06
C	**Present Issue**	
	30000000 Equity Shares at a premium of Rs. [*] per Equity Share, aggregating up to Rs. [*]	[*]
D	**Paid-Up Equity Share Capital after the Issue**	
	Equity Shares	2456.06
E	**Share Premium Account**	
	Before the Issue	4664.14
	After the Issue**	[*]

***The present Issue has been authorized by the Board vide their resolution dated 25th July, 2016 and by the Shareholders pursuant to their special resolution dated August 29, 2016.*

History of Equity Share Capital our Company

The history of the Equity Share capital of our Company is as set forth below:

No of Shares	Date of Allotment	Issue Value (in Rs.)	Cumulative No. of Shares	Remarks / Type of Issue
700	13/03/1995	10	700	Subscription to MOA & AOA
480300	20/03/1995	10	481000	Private Placement
422000	20/03/1995	10	903000	Swapping on takeover of Starline Industries
530700	30/05/1995	10	1433700	Private Placement
6000	30/05/1995	10	1439700	Shares issued against preliminary expenses
1810700	25/03/1995	10	3250400	Shares allotted in IPO
N.A.	29/09/2005	N.A.	32504000	Sub-division of shares from Rs.10/- per share to Re.1/- per share
3000000	06/02/2007	16.50	35504000	Preferential Allotment of

				Shares
36364591	07/01/2008	1	71868591	Shares allotted pursuant to amalgamation
143737182	16/04/2012	1	215605773	Issue of Bonus shares (2 new shares for every 1 share held)

MARKET PRICE INFORMATION

As of the date of this Preliminary Placement Document, 215,605,773 Equity Shares are issued, subscribed and paid up.

The following tables set forth the reported high, low and average closing prices of the Equity Shares and the number of Equity Shares traded on the days such high and low closing prices were recorded on BSE during the Fiscals 2013, 2014 and 2015

A. The following tables set forth the reported high, low and average closing prices of the Equity Shares and the number of Equity Shares traded on the days such high and low closing prices were recorded on NSE and BSE during the Fiscal 2013, 2014 and 2015

NSE

Fiscal Year	High (Rs.)	Date of High	Number of Equity Shares traded on date of high	Volume of Equity Shares traded on date of high (in Rs. Lakhs)	Low (Rs.)	Date of Low	Number of Equity Shares traded on date of low	Volume of Equity Shares traded on date of low (in Rs. Lakhs)	Average price for the period (Rs.)*
2015	3.95	21.01.2015	698061	26.17	1.65	09.11.2015	130374	2.26	2.51
2014	20.55	03.01.2014	91945	18.27	1.30	22.10.2014	1139852	16.07	5.46
2013	24.5	26.09.2013	727724	17.01	16.75	05.07.2013	79697	14.32	20.13

Source: www.nseindia.com
** Average of the daily closing prices*
***Note:** High and low prices are of the daily closing prices*

BSE

Fiscal Year	High (Rs.)	Date of High	Number of Equity Shares traded on date of high	Volume of Equity Shares traded on date of high (in Rs. Lakhs)	Low (Rs.)	Date of Low	Number of Equity Shares traded on date of low	Volume of Equity Shares traded on date of low (in Rs. Lakhs)	Average price for the period (Rs.)*
2015	4.13	05.02.2015	408321	15.93	1.67	10.11.2015	112368	1.98	2.53
2014	20.10	02.01.2014	122594	24.35	1.29	22.10.2014	376234	5.37	5.44
2013	26.00	01.10.2013	55460	12.84	17.00	05.07.2013	297966	55.20	20.15

Source: www.bseindia.com
** Average of the daily closing prices*
***Note:** High and low prices are of the daily closing prices*

B. The following tables set forth the details of the Equity Shares traded and the volume of business transacted during the Fiscals 2013, 2014 and 2015

NSE

Fiscal Year	Number of Equity Shares traded	Volume of Equity Shares traded (in Rs. Lakhs)
2015	58970092	1587.14
2014	105245379	5675.48
2013	35058723	7060.53

Source: www.nseindia.com

BSE

Fiscal Year	Number of Equity Shares traded	Volume of Equity Shares traded (in Rs. Lakhs)
2015	50729666	1419.36
2014	96248359	4429.88
2013	43054128	327.42

Source: www.bseindia.com

C. The following tables set forth the reported monthly high, low and average of the closing prices of the Equity Shares and the total trading volume on Stock Exchanges during the six months immediately preceding the date of filing of this Placement Document

NSE

Month, Year	High (Rs.)	Date of High	Number traded on date of high	Volume traded on date of high (in Rs. Lakhs)	Low (Rs.)	Date of Low	Number traded on date of low	Volume traded on date of low (in Rs. Lakhs)	Average price for the period (Rs.)*
Oct 16	5.20	10.10.2016	1140683	57.31	4.1	04.10.2016	386328	16.45	4.63
Sept 16	4.9	01.09.2016	892715	41.95	4.1	29.09.2016	1121547	48.66	4.53
Aug 16	5.1	08.08.2016	4267189	203.85	3.9	04.08.2016	1193151	50.58	4.43
July 16	5.4	11.07.2016	10429516	515.7	3.7	01.07.2016	811907	31.44	4.33
June 16	3.95	29.06.2016	4086088	153.85	2.35	03.06.2016	667087	16.27	2.86
May 16	3.05	25.05.2016	791437	22.2	2.30	16.05.2016	38289	0.91	2.51

Source: www.nseindia.com
** Average of the daily closing prices*
Note: High and low prices are of the daily closing prices.

BSE

Month, Year	High (Rs.)	Date of High	Number traded on date of high	Volume traded on date of high (in Rs. Lakhs)	Low (Rs.)	Date of Low	Number traded on date of low	Volume traded on date of low (in Rs. Lakhs)	Average price for the period (Rs.)*
Oct 16	5.20	10.10.2016	536448	2.69	4.11	04.10.2016	63192	2.68	4.64
Sept 16	4.84	07.09.2016	170515	7.95	4.15	29.09.2016	353496	15.27	4.53
Aug 16	5.10	29.08.2016	867550	42.98	3.93	04.08.2016	347202	14.65	4.44
July 16	5.30	11.07.2016	2408408	102.26	3.67	04.07.2016	284609	10.84	4.33
June 16	4.00	30.06.2016	882121	34.01	2.33	03.06.2016	126712	3.07	2.87
May 16	3.04	27.05.2016	564772	16.17	2.34	16.05.2016	16271	0.39	2.51

Source: www.bseindia.com
** Average of the daily closing prices*
Note: High and low prices are of the daily closing prices.

Sundaram
Books for Success...

D. The following tables set forth the details of the Equity Shares traded and the volume of business transacted during the six months immediately preceding the month of filing of this Placement Document

NSE

Month, Year	Number of Equity Shares traded	Volume of Equity Shares traded (in Rs. Lakhs)
Oct 16	8052897	379.36
Sept 16	8042676	365.69
Aug 16	20813593	946.58
July 16	54074081	2422.95
June 16	19308077	627.42
May 16	5389245	146.23

Source: www.nseindia.com

BSE

Month, Year	Number of Equity Shares traded	Volume of Equity Shares traded (in Rs. Lakhs)
Oct 16	2835066	135.32
Sept 16	4864933	219.74
Aug 16	5906322	264.25
July 16	14351600	644.23
June 16	9243624	304.76
May 16	3161427	87.95

Source: www.bseindia.com

E. The following table sets forth the market price on the Stock Exchanges on 26th July 2016, the first working day following the approval of the Board of Directors for the Issue

NSE

Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	Number of Equity Shares traded	Volume of Equity Shares traded (in Rs. Lakhs)
4.55	4.70	4.30	4.35	7,34,029	32.96

Source: wwwnnseindia.com

BSE

Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	Number of Equity Shares traded	Volume of Equity Shares traded (in Rs. Lakhs)
4.68	4.68	4.31	4.34	2,71,350	12.20

Source: www.bseindia.com

MAJOR SHAREHOLDERS

The summary statement showing holding of specified securities of our Company as of September 30, 2016, is herein below:

Category of Shareholder	Nos. of Shareholder	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % (A+B+C2)	Number of Shares Pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
					No.(a)	As a % of total Shares held (b)	
(A) Promoter & Promoter Group	19	6,94,55,585	6,94,55,585	32.21	3,67,43,133	52.90	6,94,55,585
(B) Public	12,186	14,61,50,188	14,61,50,188	67.79		0.00	14,48,40,703
(C1) Shares underlying DRs				0.00		0.00	
(C2) Shares held by Employee Trust				0.00		0.00	
(C) Non Promoter-Non Public				0.00		0.00	
Grand Total	**12205**	**21,56,05,773**	**21,56,05,773**	**100.00**	**3,67,59,633**		**21,42,96,288**

The summary statement showing holding of specified securities of the Promoter and Promoter Group in our Company as of September 30, 2016, is herein below:

Category of Shareholder	Nos. of Shareholder	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % (A+B+C2)	Number of Shares Pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
					No.(a)	As a % of total Shares held (b)	
(A1) Indian							
Individuals/Hindu undivided Family	19	6,94,55,585	6,94,55,585	32.21	3,67,43,133	52.90	6,94,55,585
Riddhi Chirag Gala	1	1,10,000	1,10,000	0.05		0.00	1,10,000
Amrut P Shah	1	2,22,83,925	2,22,83,925	10.34	71,49,736	32.08	2,22,83,925
Vimla Amrut Shah	1	16,02,000	16,02,000	0.74		0.00	16,02,000
Shantilal Premji Shah	1	1,47,87,157	1,47,87,157	6.86	1,01,38,240	68.56	1,47,87,157

Chetna Raichand Shah	1	10,27,000	10,27,000	0.48		0.00	10,27,000
Gada Hasmukh Arjan HUF	1	14,82,000	14,82,000	0.69		0.00	14,82,000
Richa Raichand Shah	1	13,87,000	13,87,000	0.64		0.00	13,87,000
Meenaxi Hasmukh Gada	1	5,25,000	5,25,000	0.24	2,80,000	53.33	5,25,000
Hasmukh Arjan Gada	1	18,87,000	18,87,000	0.88		0.00	18,87,000
Nayna Shantilal Shah	1	2,64,000	2,64,000	0.12		0.00	2,64,000
Nidhi Raichand Shah	1	1,16,000	1,16,000	0.05		0.00	1,16,000
Hardik Amrut Shah	1	40,000	40,000	0.02		0.00	40,000
Yash Raichand Shah	1	3,59,000	3,59,000	0.17	3,00,000	83.57	3,59,000
Divij Shantilal Shah	1	1,31,000	1,31,000	0.06		0.00	1,31,000
Krunal Shantilal Shah	1	43,000	43,000	0.02		0.00	43,000
Shantilal P Shah (HUF)	1	7,80,000	7,80,000	0.36	3,40,000	43.59	7,80,000
Raichand Premji Shah	1	2,17,34,503	2,17,34,503	10.08	1,85,35,157	85.28	2,17,34,503
Laxmiben Arjan Gada	1	3,45,000	3,45,000	0.16		0.00	3,45,000
Amrut Premji Shah (HUF)	1	5,52,000	5,52,000	0.26		0.00	5,52,000
Sub Total A1	**19**	**6,94,55,585**	**6,94,55,585**	**32.21**	**3,67,43,133**	**52.90**	**6,94,55,585**
A2) Foreign				0.00		0.00	
A=A1+A2	**19**	**6,94,55,585**	**6,94,55,585**	**32.21**	**3,67,43,133**	**52.90**	**6,94,55,585**

The summary statement showing holding of specified securities of public shareholders in our Company as of September 30, 2016, is herein below

Category of Shareholder	Nos. of Shareholder	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % (A+B+C2)	Voting Rights		Number of Equity Shares held in dematerialized form
					No.(a)	As a % of total Voting rights (b)	
(B1) Institutions	0	0		0.00		0.00	
Mutual Funds	1	10,000	10,000	0.00	10,000	0.00	10,000
Financial Institutions/Banks	1	1,25,000	1,25,000	0.06	1,25,000	0.06	1,25,000
Any Other (specify)	1	10,00,000	10,00,000	0.46	10,00,000	0.46	10,00,000
Sub Total B1	**3**	**11,35,000**	**11,35,000**	**0.52**	**11,35,000**	**0.52**	**11,35,000**
B2) Central Government/ State	0	0		0.00		0.00	

Government(s)/ President of India							
Central Government/ State Government(s)/ President of India	1	90,00,000	90,00,000	4.17	90,00,000	4.17	90,00,000
General Insurance Corporation of India	1	90,00,000	90,00,000	4.17	90,00,000	4.17	90,00,000
Sub Total B2	**1**	**90,00,000**	**90,00,000**	**4.17**	**90,00,000**	**4.17**	**90,00,000**
B3) Non-Institutions	0	0		0.00		0.00	
Individual share capital up to Rs.2 lacs	11742	6,19,86,105	6,19,86,105	28.75	6,19,86,105	28.75	6,06,76,620
Individual Share capital in excess of Rs 2 lacs	68	3,59,86,720	3,59,86,720	16.69	3,59,86,720	16.69	3,59,86,720
Sanjay Bhai Savji Bhai Bharodia	1	2303138	2303138	1.07	2303138	1.07	2303138
NBFCs registered with RBI	2	75,206	75,206	0.03	75,206	0.03	75,206
Any Other (Specify)	370	3,79,67,157	3,79,67,157	17.61	3,79,67,157	17.61	3,79,67,157
Ganjan Trading Company Pvt Ltd	1	1,49,99,499	1,49,99,499	6.96	1,49,99,499	6.96	1,49,99,499
Sub Total B3	12182	13,60,15,188	13,60,15,188	63.09	13,60,15,188	63.09	13,47,05,703
B=B1+B2+B3	**12186**	**14,61,50,188**	**14,61,50,188**	**67.79**	**14,61,50,188**	**67.79**	**14,48,40,703**

DIVIDENDS

The declaration and payment of dividends by our Company will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles and Companies Act. The recommendation, declaration and payment of dividends will depend on a number of factors, including but not limited to our Company's profits, capital requirements and overall financial condition. The Board may also from time to time pay interim dividends.

The table below sets out the details of the dividends declared by our Company on its Equity Shares during the immediately preceding three Fiscals:

Particulars	Fiscal 2016	Fiscal 2015	Fiscal 2014
Face value of Equity Shares (*Rs. Per Equity Share*)	1.00	1.00	1.00
Dividend per share* (*in Rs.*)	N.A	N.A	0.01
Total amount of dividend (in Rs)	N.A	N.A	21,56,058
Dividend rate (%)	N.A	N.A	1%

AUDITORS

Our statutory auditors are M/s Bhuta Shah & Co. LLP, Chartered Accountants, who have audited the standalone and consolidated financial statements of our Company for the Fiscals 2016, 2015 and 2014, and are independent auditors with respect to our Company in accordance with the applicable guidelines issued by the ICAI.

M/s Bhuta Shah & Co. LLP, Chartered Accountants, have also examined the Audited Financial Statements included in this Placement Document and their reports on the Audited Financial Statements are also included herein.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY (INCLUDING ITS RELEVANT SUBSIDIARIES AS APPLICABLE) AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To
The Board of Directors
Sundaram Multi Pap Limited
5/6 Papa Industrial Estate
Suren Road, Andheri (East)
Mumbai-400093

Dear Sirs,

Subject: Statement of Possible Tax Benefits available to the Company and its Shareholders prepared in accordance with the requirement in Schedule VIII – Part A, Clause (VII)(L) of the Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2009, as amended.

We hereby report that the enclosed annexure, prepared by **Sundaram Multi Pap Limited (CIN: L211098MH1995PLC086337)** (the **"Company"**) states the possible tax benefits available to the Company and to the shareholders of the Company under the provisions of the Income-tax Act, 1961 ('the Act') as amended by the Finance Act, 2016 (i.e. applicable for financial year 2016-17, relevant to the assessment year 2017-18) presently in force in India as on the signing date. The benefits as stated are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act failing which the stated benefits may be wholly or partially denied.

The benefits discussed in the enclosed Annexure are not exhaustive. Further, the presentation of this Statement of Possible Tax Benefits is the responsibility of the Management. 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 Qualified Institutional Placement of Equity Shares of the Company particularly in view of case specific nature of the tax consequences and the changing tax laws in India.

We do not express any opinion or provide any assurance as to whether:
(a) The Company or its shareholders will continue to obtain these benefits in future; or
(b) The conditions prescribed for availing the benefits have been / would be met.
(c) The revenue authorities / courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company or any other person for any claims, liabilities or expenses whatsoever relating to this Statement.

The contents of the enclosed Annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax regulations stated above, as of date.

The enclosed Annexure is intended solely for your information and for the inclusion in the Preliminary Placement Document, Placement Document and any other material issued by the Company, in connection with the proposed Qualified Institutional Placement of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Bhuta Shah **& Co LLP.**
Chartered Accountants
Firm Registration No. 101474W
Shailesh Bhuta
Partner
Membership No. 033958
Mumbai,

Date: 11.11.2016

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT TAX LAWS IN INDIA

The information provided below sets out the possible tax benefits available to the shareholders of the Company, in a summary manner only, under the direct tax laws presently in force in India (i.e. applicable for Financial Year ('FY') 2016-17 relevant to the assessment year ('AY') 2017-18). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the applicable regulations. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is linked to the fulfillment of such conditions.

This is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares, under the current tax laws presently in force (as on date of this Report) in India. The following overview 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 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.

A. UNDER THE INCOME TAX ACT, 1961 ('THE ACT')

1. Levy of Income-tax

Levy of income-tax and provisions under the Act are dependent on the residential status of the tax payer. The provisions relevant for determination of the residential status of a tax payer are summarized herein below:

1.1 Residential status
Under the Act, "Non-Resident" means a person who is not a resident in India.

1.1.1 Residential status of an individual
As per the provisions of the Act, an individual is considered to be a resident in India during any FY if he or she is present in India for:
(a) a period or periods aggregating to 182 days or more in that FY; or
(b) a period or periods aggregating to 60 days or more in that FY and for a period or periods aggregating to 365 days or more within the four preceding years; or In the case of a citizen of India or a person of Indian origin living outside India who comes on a visit to India in any previous year, the limit of 60 days under point (b) above shall be read as 182 days.

In the case of a citizen of India who leaves India as member of the crew of an Indian ship in any previous year, the limit of 60 days under point (b) above, shall be read as 182 days.

Further if an individual fulfills the conditions prescribed under Section 6(6) of the Act, he/she shall be regarded as 'Resident but not ordinarily resident'.

1.1.2 Residential status of a Company
A Company is resident in India if it is formed and incorporated under the Companies Act, 1956/2013 or the place of effective management, in that year, is situated in India.

For this purpose, the place of effective management (POEM) means a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made. For this purpose, the Central Board of Direct Taxes, Government of India (CBDT), for the benefit of the taxpayers as well as tax administration, is in the process of issuing a set of guiding principles to be followed in determination of POEM.

1.1.3 Residential status of a Hindu undivided family ('HUF'), firm or AOP –

A HUF, firm or other association of persons or every other person is resident in India except where, during that year, the control and management of its affairs is situated wholly outside India.

1.1.4 Residential status of every other person

Every other person is resident in India in a FY, in every case, except where the control and management of his affairs is situated wholly outside India.

1.2 Scope of taxation

In general, a person who is "resident" in India in a FY is subject to tax in India on its global income. In the case of a person who is "non-resident" in India, only the income that is received or deemed to be received or that accrues or is deemed to accrue or arise to such person in India, is subject to tax in India.

Income earned from the equity shares of the Company would be considered to accrue or arise in India, and would be taxable in the hands of all categories of tax payers irrespective of their residential status unless specifically exempt (e.g. Dividend). However, a relief may be available under applicable Double Taxation Avoidance Agreement ('DTAA') to certain non-residents/ investors.

2 Benefits available to the Company:

2.1 Taxability of Business Income:

Business income of the Company shall be computed in accordance with the provisions contained in Sections 30 to 43D of the Act.

Special Tax Benefit available to the Company

2.1.1 Deduction of expenditure on Scientific Research

Under Section 35(1)(i) and Section 35(1)(iv) of the Act, the Company is eligible for deduction in respect of any revenue and capital expenditure (other than expenditure on the acquisition of any land) respectively incurred on scientific research related to its business.

Under Section 35(2AB) of the Act, a company engaged in the business of manufacture or production of any article or thing, not being an article or thing specified in the list of the Eleventh Schedule to the Act, incurring any expenditure on scientific research (not being expenditure in the nature of cost of any land and building) on in-house research and development facility as approved by the Department of Scientific and Industrial Research ('DSIR'), is entitled to a deduction of two times of the expenditure so incurred.

General Tax Benefits available to the Company

2.1.2 Depreciation Allowance:

Under Section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates in respect of the following assets owned by it and used for the purpose of its business:

- Tangible assets being building, machinery, plant or furniture;
- Intangible assets being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after April 1, 1998.

Further, in case the assets are put to use for less than 180 days in the year of acquisition, then deprecation would be calculated at the rate of 50% of applicable rate. As per Section 32(1)(iia) of the Act, the Company is entitled to claim additional depreciation at the rate of 20% of the actual cost of any new machinery or plant acquired and installed after March 31, 2005. The first proviso to Section 32(1)(iia) of the Act entitles a company to claim additional depreciation at the rate of 35% where it sets up an undertaking for manufacture of any article or thing in any notified backward area in Andhra Pradesh or Bihar or Telangana or West Bengal, after April 1, 2015 but before April 1, 2020.

However, no deduction is allowed in respect of:
(a) Ships and Aircraft;
(b) Any machinery or plant which, before its installation by the company, was used either within or outside India by any other person;
(c) Any machinery or plant installed in any office premises or any residential accommodation, including accommodation in the nature of a guest-house;

(d) Any office appliances or road transport vehicles; or
(e) Any machinery or plant, the whole of the actual cost of which is allowed as a deduction (whether as depreciation or otherwise) in computing the income under the head 'Profits and gains from business and profession' of any one FY.

Further, in case the assets are put to use for less than 180 days in the year of acquisition, then deprecation would be 50% of the cost of acquisition in the first year and the balance 50% would be available in the immediately succeeding previous year.

2.1.3 Investment in new plant and machinery:

As per Section 32AC(1A) of the Act, the Company is entitled to a deduction of 15% of actual cost of 'new assets' acquired and installed in a FY subject to the fact that the aggregate amount of actual cost of such new assets should exceed Rs. 25 crores. No deduction under Section 32AC(1A) of the Act would be available from FY 2017-18 onwards.

Further, in case the new asset acquired or and installed is transferred by the Company, except in connection with amalgamation/demerger, within 5 years from the date of its installation, the amount of deduction allowed under Section 32AC (1A) of the Act, would be deemed to be income under the head 'Profits and Gains from business or profession' of the year in which such new asset is sold or otherwise transferred. This tax treatment is in addition to the taxability of gains arising on transfer of new asset.

The term 'new asset' means any new plant and machinery but does not include:
- Ships and Aircraft;
- Any machinery or plant which, before its installation by the company, was used either within or outside India by any other person;
- Any machinery or plant installed in any office premises or any residential accommodation, including accommodation in the nature of a guest-house;
- Any office appliances including computers or computer software
- Any vehicle; or
- Any machinery or plant, the whole of the actual cost of which is allowed as a deduction (whether as depreciation or otherwise) in computing the income under the head 'Profits and gains from business and profession' of any one FY.

2.1.4 Carry forward of unabsorbed depreciation, unabsorbed business losses

Under Section 32(2) of the Act, the Company can carry forward and set off unabsorbed depreciation of one FY and adjust against any source of income of subsequent years. Under Section 72 of the Act, unabsorbed business loss (other than from speculation), if any can be carried forward and set off against business profits of subsequent years (up to 8 consecutive years) subject to prescribed conditions. However, as per Section 80 of the Act, the unabsorbed business loss can be carried forward only when the return of income has been filed within the time prescribed under Section 139(1) of the Act.

Under Section 72A of the Act, pursuant to business re-organizations such as amalgamation, demerger, etc., the successor company shall be allowed to carry forward any accumulated tax losses/unabsorbed depreciation of the predecessor company subject to fulfillment of prescribed conditions.

2.1.5 Other Benefits

1. As per the provisions of Section 35D of the Act, any specified preliminary expenditure incurred by an Indian company before the commencement of its business or after commencement of its business, in connection with the extension of an undertaking or setting up of a new unit, shall be allowed a deduction of an amount equivalent to one-fifth of such expenditure for each of the five successive financial years beginning with the financial year in which the extension of the undertaking is completed or the new unit commences production or operation. However, any expenditure in excess of 5% of the cost of the project or the capital employed in the business of the Company, shall be ignored for the purpose of computing the deduction allowable under section 35D of the Act.

2. As per the explanation to Section 37 of the Act, any expenditure incurred by the Company on the activities relating to Corporate Social Responsibility ('CSR') referred to in section 135 of the Companies

Act, 2013 shall not be deemed to be an expenditure incurred by the Company for the purpose of the business or profession. However, CSR expenditure which is of the nature described in provisions of Sections 30 to 36 of the Act shall be allowed as deduction under respective sections, subject to fulfillment of conditions, if any, specified therein.

2.1.6 Deduction for donations

The Company is entitled to a deduction under Section 80G of the Act in respect of amounts contributed as donations to various charitable institutions and funds covered under that Section, in respect of such amounts and subject to the fulfillment of conditions prescribed therein. No deduction shall be allowed under Section 80G of the Act for any sum exceeding Rs.10,000 unless such sum is paid by any mode other than cash.

2.2 Taxability of Capital Gains

2.2.1 Capital assets may be categorized into short-term capital assets and long-term capital assets based on the period for which they are held by a tax payer. A security (other than a unit) listed in a recognized stock exchange in India or units of the Unit Trust of India established under the Unit Trust of India Act, 1963 or a unit of an equity oriented fund or a zero coupon bond are considered as long-term capital assets if they are held for a period of more than 12 months immediately preceding the date of their transfer. Consequently, capital gains arising on sale of these assets are considered as ‘long-term capital gains’ or LTCG. Capital gains arising on sale of these assets held for a period of 12 months or less are considered as 'short term capital gains' or STCG.

In case of a share of a Company (not being a share listed in a recognized stock exchange in India), it shall be considered as long-term capital asset if it has been held by VEIL for more than 24 months immediately preceding the date of its transfer.

2.2.2 As per Section 10(38) of the Act, capital gains arising from transfer of a long-term capital asset being an equity share in the Company or an unit of an equity oriented fund, where the transaction of sale is chargeable to Securities Transaction Tax (‘STT’) or in case the sale is transacted through a recognized stock exchange located in any International Financial Services Center (IFSC) and where the consideration for such transaction is paid or payable in foreign currency, shall be exempt from tax in the hands of the Company.

For this purpose, ‘Equity oriented fund’ means a fund –
i) where the investible funds are invested by way of equity shares in the domestic companies to the extent of more than 65% of the total proceeds of such funds; and
ii) which has been set up under a scheme of a Mutual fund specified under Section 10(23D) of the Act.

However, the long-term capital gains arising on sale of share or units referred above shall not be reduced while calculating the book profit under the provisions of Section 115JB of the Act. In other words, such book profit shall include the long-term capital gain as referred to in Section 10(38) of the Act and the Company will be required to pay MAT @ 18.5% (9% in the case of an assesse being a unit located in an IFSC) (increased by surcharge and cesses as applicable) on such book profit.

2.2.3 Section 48 of the Act, (which prescribes the mode of computation of capital gains) provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains.

However, in respect of long-term capital gains (as defined above), a deduction of indexed cost of acquisition / improvement is available. Indexed cost of acquisition means an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index (CII) for the year in which the asset is transferred bears to the CII for the first year in which the asset was held by the taxpayer or for the year beginning on April 1, 1981, whichever is later. In other words, indexed cost of acquisition is computed as under:

Cost of acquisition (x) CII of the FY in which the asset is transferred

CII of the FY in which the asset was first held by the tax payer or for the year beginning on April 1, 1981 whichever is later.

2.2.4 As per the provisions of Section 112 of the Act, long-term capital gains to the extent not exempt under Section 10(38) of the Act would be subject to tax in the hands of the Company at the rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess).

However, as per the proviso to Section 112(1) of the Act, if the tax on long-term capital gains resulting from transfer of listed securities (other than a unit) to the extent not exempt under Section 10(38) of the Act, calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at the concessional rate of 10% (without indexation benefit) (plus applicable surcharge, education cess and secondary & higher education cess).

2.2.5 As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund, where the transaction of sale is chargeable to STT or in case the sale is transacted through a recognized stock exchange located in any International Financial Services Center and where the consideration for such transaction is paid or payable in foreign currency, shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess). Short-term capital gains arising from transfer of shares, other than those covered by Section 111A of the Act, would be subject to tax at the normal rate as applicable to the Company which is presently 30% (plus surcharge, education cess and secondary & higher education cess as may be applicable).

2.2.6 Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising to the Company would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in long term (i.e. redeemable after 3 years) specified assets, being bonds (as presently notified) issued by:

i) National Highway Authority of India constituted under Section 3 of The National Highways Authority of India Act, 1988; or
ii) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot however exceed Rs.5,000,000. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets are transferred or converted into money within 3 years from the date of their acquisition, the amount of capital gains so exempt shall be chargeable to tax during the year of such transfer or conversion. As long term capital gains covered under Section 10(38) of the Act are exempt from tax, there is no requirement to invest under Section 54EC of the Act in such cases.

2.2.7 Under Section 54EE of the Act and subject to the conditions specified therein, long-term capital gains arising to any assessee would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in long term specified asset, which mean unit or units, issued before April 1, 2019 of such fund as may be notified by the Central Government in this behalf, subject to investment ceiling of Rs. 50 lakhs.

2.2.8 As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:

- where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
- where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains / (losses) and taxed accordingly.

2.2.9 Under Section 70(2) of the Act, the Company can set off short term capital loss against other short term capital gain or long term capital gain. Under Section 70(3) of the Act, the Company can set off long term capital loss against other long term capital gain alone. Under Section 74 of the Act, the unabsorbed short term capital loss can be carried forward and set off against capital gains (whether short term or long term) of subsequent years (upto 8 years). Unabsorbed long term capital loss can be carried forward and set off against long term capital gains only, of subsequent years (upto 8 years). However as per Section 80 of the Act, the unabsorbed capital loss can be carried forward only when the return of income has been filed within the time prescribed under Section 139(1) of the Act.

2.3 Taxability of Dividends

2.3.1 As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax, provided that such dividend is subject to Dividend Distribution Tax (DDT) in the hands of dividend declaring company. The dividend referred to in this context includes distribution by a Company out of accumulated profits.

2.3.2 The domestic company distributing dividends will be liable to pay DDT at the rate of 15% on gross basis on the amount of dividend payable (plus a surcharge of 12% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon). The amount of distribution of dividend to shareholders has to be grossed up for the purpose of DDT, so that the shareholders receive the net distributed profits, in full. Thus, the effective rate of DDT would be 20.36% of the amount of dividend declared, distributed or paid by the Company.

In calculating the amount of dividend on which DDT is payable, dividends (if any, received by the Company during the assessment year and subject to fulfillment of the conditions), shall be reduced by:

- dividends received by the domestic company from a subsidiary of the Company (a company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity shares capital of the company) & which has been subjected to DDT; or
- where such subsidiary is a foreign company, the tax is payable under Section 115BBD of the Act by the domestic company.

As per the proviso to this Section, the same amount of dividend would not be taken into account for reduction more than once.

2.3.3 As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.

2.3.4 Under Section 14A of the Act, no deduction is permitted in respect of expenditure incurred in relation to earning of income which is not chargeable to tax including dividends exempt under Section 10(34) of the Act. The expenditure relatable to 'exempt income' needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Income-tax Rules, 1962 ('the Rules').

2.4 Availing the benefit of Double Taxation Avoidance Agreement (DTAA)

Under the provisions of Section 90 of the Act, the Company shall be eligible for claiming credit of taxes doubly paid by it on income, both in India and in the foreign countries with which the Government of India has entered into DTAA. The tax credit shall be available as per the provisions of the Act or the relevant DTAA, whichever are more beneficial to the taxpayer.

Section 91 of the Act provides for unilateral relief in respect of taxes paid on incomes in the foreign countries with which no DTAA exists. Under the provisions of said Section, the Company shall be entitled to deduction from the Indian income-tax of sum calculated on such doubly taxed income at the Indian rate of tax or rate of tax in the foreign country, whichever is lower.

2.5 Corporate Tax Rate and Minimum Alternative Tax ('MAT')

2.5.1 The tax rate applicable to the CFSL for the FY ended March 31, 2017 is 29% (in case turnover is upto Rs. 5 crore) or 30% (in case turnover exceeds Rs. 5 crore) on taxable income under the normal provision of the Act or 18.5% on book profits under MAT, whichever is higher. A surcharge on income tax of 7% is case of domestic company having a total income exceeding Rs. one crore, but not exceeding Rs. Ten crore and 12% in case of domestic company having a total income exceeding Rs. ten crore. Education cess of 2% and Secondary & Higher Education cess of 1% is levied on the amount of tax and surcharge.

2.5.2 As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for MAT paid in the current year against the normal income-tax payable in subsequent years. MAT credit is allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB for that assessment year. Such MAT credit is available for set-off up to 10 years succeeding the assessment year in which the MAT credit arises.

3 Benefits available to the Shareholders:

3.1 Taxability of Dividends

3.1.1 Under Section 10(34) of the Act, income by way of dividends (whether interim or final) referred to in Section 115-O of Act received on the equity shares is exempt from income-tax in the hands of shareholders. W.e.f. FY 2016-17, income by way of dividend (in aggregate) in excess of Rs. 10 lakh shall be chargeable to tax in the case of an individual, Hindu undivided family (HUF) or a firm who is resident in India, at the rate of 10%. The taxation of dividend income in excess shall be on gross basis.

3.1.2 Under Section 115E of the Act, where the dividend income is received by a Non-Resident Indian ('NRI') (other than dividend exempt under Section 10(34) of the Act), then the same is taxable at the rate of 20% (increased by surcharge and cesses as applicable) provided the investment has been made in convertible foreign exchange. NRI means an individual being a Citizen of India or a Person of Indian origin who is a non-resident. The NRI may, by election, choose to be governed by this Section which provides for concessional rate of tax, else taxation would be computed by applying normal provisions.

3.1.3 Where such dividend is received by a Company, such dividend is to be excluded while computing MAT liability. However, it is pertinent to note that Section 14A of the Act restricts claims for deduction of expenses incurred in relation to exempt income. Thus, any expense incurred to earn the exempt dividend income is not allowable expenditure in accordance with Section 14A of the Act and rules thereunder.

3.1.4 As per section 94(7) of the Act, losses arising from sale/transfer of shares, where such shares are purchased within the said three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt. 'Record date' means such date as may be fixed by a Company for the purposes of dividend distribution.

3.1.5 As per section 56(2(vii) of the Act, where an individual or Hindu Undivided Family received the shares a) without consideration where the aggregate fair market value of such shares exceeded Rs. 50,000 or b) for a consideration which was less than the aggregate fair market value of such shares by Rs. 50,000, then the fair market value of such shares shall be treated as 'income from other sources' in the hands of the recipient individual or Hindu Undivided Family. This provision shall not apply to any shares received from any relative (defined under the Act) or on the occasion of the marriage of the individual or under a will and so on.

3.2 Taxability of Capital Gains

3.2.1 Capital assets may be categorized into short-term capital assets and long-term capital assets based on the period for which they are held by a tax payer. A security (other than a unit) listed in a recognized stock exchange in India or units of the Unit Trust of India established under the Unit Trust of India Act, 1963 or a unit of an equity oriented fund or a zero coupon bond are considered as long-term capital assets if they are held for a period more than 12 months immediately preceding date of their transfer. Consequently, capital gains arising on sale of these assets are considered as 'long-term capital gains'. Capital gains arising on sale of these assets held for a period of 12 months or less are considered as 'short term capital gains'.

3.2.2 As per Section 10(38) of the Act, capital gains arising from transfer of a long-term capital asset being an equity share in the Company or an unit of an equity oriented fund, where the transaction of sale is chargeable to Securities Transaction Tax ('STT') or in case the sale is transacted through a recognized stock exchange located in any International Financial Services Center and where the consideration for such transaction is paid or payable in foreign currency, shall be exempt from tax in the hands of the Company.

For this purpose, 'Equity oriented fund' means a fund –
i) Where the investible funds are invested by way of equity shares in the domestic companies to the extent of more than 65% of the total proceeds of such funds; and
ii) Which has been set up under a scheme of a Mutual fund specified under Section 10(23D) of the Act. However, the long-term capital gains arising on sale of share or units referred above shall not be reduced while calculating the book profit under the provisions of Section 115JB of the Act. In other words, such book profit shall include the long-term capital gain as referred to in Section 10(38) of the Act and the Company will be required to pay MAT @ 18.5% (plus applicable surcharge, education cess and secondary & higher education cess) on such book profit.

3.2.3 Section 48 of the Act, (which prescribes the mode of computation of capital gains) provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains (as defined above), a deduction of indexed cost of acquisition / improvement is available. Indexed cost of acquisition means an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index (CII) for the year in which the asset is transferred bears to the CII for the first year in which the asset was held by the taxpayer or for the year beginning on April 1, 1981, whichever is later. In other words, indexed cost of acquisition is computed as under:

Cost of acquisition (x) CII of the FY in which the asset is transferred
CII of the FY in which the asset was first held by the tax payer or for the year beginning on April 1, 1981 whichever is later.

3.2.4 As per the provisions of Section 112 of the Act, long-term capital gains to the extent not exempt under Section 10(38) of the Act would be subject to tax in the hands of the Company at the rate of 20% (increased by surcharge and cesses as applicable) However, as per the proviso to Section 112(1) of the Act, if the tax on long-term capital gains resulting from transfer of listed securities (other than a unit) to the extent not exempt under Section 10(38) of the Act, calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at the concessional rate of 10% (without indexation benefit) (increased by surcharge and cesses as applicable).

3.2.5 As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund, where the transaction of sale is chargeable to STT or in case the sale is transacted through a recognized stock exchange located in any International Financial Services Center and where the consideration for such transaction is paid or payable in foreign currency, shall be subject to tax at a rate of 15% (increased by surcharge and cesses as applicable). Short-term capital gains arising from transfer of shares, other than those covered by Section 111A of the Act, would be subject to tax at the normal rate as applicable to the Company which is 30% (increased by surcharge and cesses as applicable).

3.2.6 In case of a NRI, any LTCG arising from transfer of shares (not exempt under Section 10(38) of the Act) shall be taxed at a concessional rate of 10% (increased by surcharge and cesses as applicable) without the indexation benefit but with protection against foreign exchange fluctuation under the first proviso to Section 48 of the act, subject to satisfaction of certain conditions. The NRI may, by election, choose to be governed by this Section which provides for concessional rate of tax, else taxation would be computed by applying normal provisions.

3.2.7 Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising to the Company would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in long term (i.e. redeemable after 3 years) specified assets, being bonds issued by:

i) National Highway Authority of India constituted under Section 3 of The National Highways Authority of India Act, 1988; or
ii) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed Rs.5,000,000.

If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets are transferred or converted into money within 3 years from the date of its acquisition, the amount of capital gains so exempt shall be chargeable to tax during the year of such transfer or conversion. As long term capital gains covered under Section 10(38) of the Act are exempt from tax, there is no requirement to invest under Section 54EC of the Act in such cases.

3.2.8 Under Section 54EE of the Act and subject to the conditions specified therein, long-term capital gains arising to any assessee would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in long term specified asset, which mean unit or units, issued before April 1, 2019 of such fund as may be notified by the Central Government in this behalf, subject to investment ceiling of Rs. 50 lakhs.

3.2.9 Under Section 54F of the Act and subject to the conditions specified therein, LTCG arising arising to an individual or HUF from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house property, in India, within three years from the date of transfer.

3.2.10 Under Section 70(2) of the Act, the Company can set off short term capital loss against other short term capital gain or long term capital gain. Under Section 70(3) of the Act, the Company can set off long term capital loss against other long term capital gain alone.

Under Section 74 of the Act, the unabsorbed short term capital loss can be carried forward and set off against capital gains (whether short term or long term) of subsequent years (upto 8 years). Unabsorbed long term capital loss can be carried forward and set off against long term capital gains only, of subsequent years (upto 8 years). However as per Section 80 of the Act, the unabsorbed capital loss can be carried forward only when the return of income has been filed within the time prescribed under Section 139(1) of the Act.

4 Benefits available to the Foreign Institutional Investors ('FII's):

4.1.1 Taxability of Dividends

4.1.2 Under Section 10(34) of the Act, income by way of dividends (whether interim or final) referred to in Section 115-O of Act received on the equity shares is exempt from income-tax in the hands of shareholders.

4.1.3 Where such dividend is received by a Company, such dividend is to be excluded while computing MAT liability. However, it is pertinent to note that Section 14A of the Act restricts claims for deduction of expenses incurred in relation to exempt income. Thus, any expense incurred to earn the exempt dividend income is not allowable expenditure in accordance with Section 14A of the Act and rules thereunder.

4.1.4 As per section 94(7) of the Act, losses arising from sale/transfer of shares, where such shares are purchased within the said three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt. 'Record date' means such date as may be fixed by a Company for the purposes of dividend distribution.

4.2 Taxability of Capital Gains

4.2.1 Capital assets may be categorized into short-term capital assets and long-term capital assets based on the period for which they are held by a tax payer. A security (other than a unit) listed in a recognized stock exchange in India or units of the Unit Trust of India established under the Unit Trust of India Act, 1963 or a unit of an equity oriented fund or a zero coupon bond are considered as long-term capital assets if they are held for a period more than 12 months immediately preceding date of their transfer. Consequently, capital gains arising on sale of these assets are considered as 'long-term capital gains'. Capital gains arising on sale of these assets held for a period of 12 months or less are considered as 'short term capital gains'.

4.2.2 Section 2(14) of the Act provides that any security including equity shares held by a FII who has invested in such securities in accordance with the regulations made under Securities & Exchange Board of India Act, 1992 would be treated as a capital asset so that any income arising from transfer of such security by the FII would be treated in the nature of capital gains and not in the nature of income from business.

4.2.3 Under Section 10(38) of the Act, LTCG arising to a shareholder on transfer of equity shares would be exempt from tax where the sale transaction has been entered into on a recognized Stock Exchange of India and is liable to STT.

4.2.4 Under Section 115AD(1)(ii) of the Act, income by way of STCG arising to the FII on transfer of shares shall be chargeable at a rate of 30%, where such transactions are not subjected to STT, and at the rate of 15% if such transaction of sale is entered on a recognized stock exchange in India and is chargeable to STT. The above rates are to be increased by surcharge at the rate of 2% where income of the FII shall be between Rs. 1 – 10 crores and at the rate of 5% for income beyond Rs. 10 crores. Education cess of 2% and Secondary & Higher Education cess of 1% is levied on the amount of tax and surcharge.

4.2.5 Under Section 115AD(1)(iii) of the Act, income by way of LTCG arising from the transfer of shares (in cases not covered under Section 10(38) of the Act) held in the Company will be taxable at the rate of 10% (increased by surcharge and cesses as applicable). The benefits of indexation of cost and of foreign currency fluctuations are not available to FIIs.

4.2.6 Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising to the Company would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in long term (i.e. redeemable after 3 years) specified assets, being bonds issued by:

i) National Highway Authority of India constituted under Section 3 of The National Highways Authority of India Act, 1988; or
ii) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed Rs.5,000,000.

If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets are transferred or converted into money within 3 years from the date of its acquisition, the amount of capital gains so exempt shall be chargeable to tax during the year of such transfer or conversion. As long term capital gains covered under Section 10(38) of the Act are exempt from tax, there is no requirement to invest under Section 54EC of the Act in such cases.

4.2.7 Under Section 54EE of the Act and subject to the conditions specified therein, long-term capital gains arising to any assessee would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in long term specified asset, which mean unit or units, issued before April 1, 2019 of such fund as may be notified by the Central Government in this behalf, subject to investment ceiling of Rs. 50 lakhs.

4.3 Availing the benefit of DTAA

4.3.1 In respect of FIIs, the tax rates and consequent taxation mentioned above will be further subject to any benefits, if any, available under the DTAA between India and the country of residence of the FII. As per Section 90(2) of the Act, the provisions of the Act or the DTAA, whichever are more beneficial to the taxpayer, would be applicable. Thus, FIIs can opt to be governed by the provisions of the Act or the applicable tax treaty, whichever is more beneficial.

4.3.2 As per section 90(4) of the Act, the FIIs shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of their being a resident in any country outside India, is obtained by them from the government of that country i.e. Tax Residency Certificate. As per section 90(5) of the Act, the FIIs shall be required to provide such other information, as may be notified.

4.4 Deduction of Tax At-Source

As per Section 196D of the Act, no tax is to be deducted from any income, by way of capital gains (short term or long-term) arising from the transfer of securities referred to in section 115AD, payable to a FII.

5 Benefits available to Venture Capital Funds / Companies:

5.1 Under Section 10(23FB) of the Act, any income of Venture Capital Companies or Venture Capital Funds registered with the Securities and Exchange Board of India, from investment in a venture capital undertaking would be exempt from income tax, subject to conditions specified therein. 'Venture capital undertaking' means:

- A venture capital undertaking as defined in clause (n) of the regulation 2 of Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 or
- A venture capital undertaking as defined in clause (aa) of sub regulation (1) of regulation 2 of Alternate Investment Fund Regulations.

5.2 According to Section 115U of the Act, any income accruing or arising to or received by a person from his investment in venture capital companies/ funds would be taxable in his hands in the same manner as if it were the income accruing/ arising/ received by such person had the investments been made directly in the venture capital undertaking.

5.3 Further, as per Section 115U(5) of the Act, the income accruing or arising to or received by the Venture Capital Company/ Funds from investments made in a Venture Capital Undertaking if not paid or credited to a person (who has made investments in a Venture Capital Company/ Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

6 Benefits available to Investment Funds

6.1 Under Section 10(23FBA) of the Act, any income except for income under the head "Profits and Gains of Business/ Profession" of Investment fund, registered as Category-I or category-II Alternative Investment Fund under the Securities and Exchange Board of India (Alternate Investment Fund) regulations, 2012 would be exempt from income tax, subject to conditions specified therein.

6.2 According to Section 115UB of the Act, any income accruing or arising to or received by a person from his investment in investment funds would be taxable in his hands in the same manner as if it were the income accruing/ arising/ received by such person had the investments been made directly in the company.

6.3 Further, as per Section 115UB(6) of the Act, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

7 Benefits available to the Mutual Funds:

Under Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorized by the Reserve Bank of India, is exempt from tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

B. UNDER THE WEALTH TAX ACT, 1957

The Finance Act, 2015 has abolished the levy of wealth tax under the Wealth Tax Act, 1957 with effect from 1 April 2016.

C. UNDER THE GIFT TAX ACT, 1958

Gift made after 1 October 1998 is not liable for any gift tax, and hence, gift of shares of the company would not be liable for any gift tax.

Notes:

1. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Shares.

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. The above statement states the possible tax benefits available to the Company and to the shareholders of the Company under the provisions of the Income-tax Act, 1961 ('the Act') as amended by the Finance Act, 2016 (i.e. applicable for financial year 2016-17, relevant to the assessment year 2017-18) presently in force in India as on the signing date. The benefits as stated are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act failing which the stated benefits may be wholly or partially denied.

4. 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 Qualified Institutional Placement of Equity Shares of the Company particularly in view of case specific nature of the tax consequences and the changing tax laws in India.

5. In respect of non-residents, the tax rates mentioned above would be further subject to specific benefits, if any, available under the relevant Double Taxation Avoidance Agreement, between India and the Country in which the non-resident has tax domicile.

6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

RELATED PARTY TRANSACTIONS

For details of the related party transactions entered into during the immediately preceding three fiscals, in accordance with the requirement under applicable accounting standards issued by the ICAI, see the section titled *"Financial Statements"*.

The following selected financial information is extracted from and should be read in conjunction with, the Audited Consolidated Financial Statements prepared in accordance with Indian GAAP, included elsewhere in this Placement Document. You should refer to the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations", for further discussion and analysis of the financial statements of our Company.

The financial information included in this Placement Document does not reflect our Company's results of operations, financial position and cash flows for the future and its past operating results are no guarantee of its future operating performance.

Summary Consolidated Balance Sheet as at March 31, 2016, 2015 and 2014

(Rupees in lakhs)

Particulars	**As at 31st March, 2016**	**As at 31st March, 2015**	**As at 31st March, 2014**
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2156.06	2156.06	2156.06
Reserves & Surplus	6008.91	7345.64	12464.05
	8164.97	9501.70	14620.11
Minority Interest			
Non-			
current	2191.36	4684.70	2077.07
Liabilities	217.34	361.34	
Long term Borrowings Deferred Tax Liabilities (Net)	-	-	
Other Long-term Liabilities Long-term Provisions	11.86	33.91	26.91
	2420.56	5079.95	2103.98
Current Liabilities			
Short-term Borrowings	4586.24	3942.68	8977.85
Trade Payables	966.10	973.07	1464.44
Other Current Liabilities	2856.52	2335.20	1665.03
Short-term Provisions	15.66	40.04	25.22
	8424.52	7290.99	12132.54
Total	**19010.05**	**21872.64**	**28856.63**
ASSETS			
Non-			
current			
Assets	8672.28	9478.29	12936.24
Fixed	520.65	667.19	851.73
Assets	6.06	-	-
Tangible	-	0.50	0.50
Assets	519.55	519.55	158.22
Intangible	608.77	624.05	747.60
Assets			
Capital	10327.31	11289.58	14694.29
Work-In-			
Progress			
Non-current Investments	4483.54	6725.12	6419.26
Deferred Tax Assets (Net)	3035.29	2517.57	5305.14
Long-term Loans and Advances	161.57	130.53	152.88
	1000.87	1208.29	2283.58
	1.47	1.55	1.47
	8682.74	10583.06	14162.33
Total	**19010.05**	**21872.64**	**28856.63**

Summary Consolidated Statement of Profit and Loss for the year ended March 31, 2016, 2015 and 2014

(Rupees in lakhs)

Particulars	For the year ended March 31 2016	For the year ended March 31 2015	For the year ended March 31 2014
Revenue from Operations	9852.83	8492.13	15637.25
Other Income	27.40	20.53	64.19
Total Income (I)	**9880.23**	**8512.66**	**15701.44**
Expenses:			
Cost of Materials Consumed	6049.96	5986.55	6880.54
Purchases of Stock-in-Trade	191.52	2086.37	4122.48
Change in Inventories of Finished Goods, Work-in-progress and Stock-in Trade	1231.89	(1139.02)	686.44
Employee Benefit Expense	373.45	429.89	472.12
Finance Costs	1219.04	1605.78	1710.18
Depreciation and Amortization Expense	398.85	529.04	691.49
Other Expenses	743.95	1014.74	1739.08
Total Expenses (II)	**10208.66**	**10513.35**	**16302.33**
Profit/(Loss) before extraordinary items and Tax (I)-(II)	**(328.42)**	**(2000.69)**	**(600.89)**
	(688.71)	(340.31)	-
Exceptional Items	**(1017.13)**	**2341**	**600.89**
Profit before tax			
Tax Expense:	-	-	46.09
(1) Current tax	(144.00)	-	(273.98)
(2) Deferred tax charges/credit	(1.37)	(74.16)	**(14.21)**
(3) Tax for Earlier Year	**871.16**	**(2266.84)**	**(358.77)**
Profit After Tax			
Earnings per Equity Share (Rs.)	(0.40)	(1.05)	(0.17)
Basic	(0.40)	(1.05)	(0.17)
Diluted			

Summary of Consolidated Statement of Cash Flow

	Particulars	For the year ended March 31,2016	For the year ended March 31,2015	For the year ended March 31,2014
A	**Cash Flow from Operating Activities**			
	Net Profit /(Loss) before tax and Extraordinary items	**(1017.12)**	**(2341.00)**	**(600.88)**
	Adjustments for:			
	Depreciation & Amortization	398.85	529.03	691.49
	Interest Income	(241.89)	(131.89)	(85.46)
	Dividend Income	-	(0.075)	(0.075)
	Preliminary Expenses W/off	-	-	-
	Interest Paid	1460.92	1967.76	2008.26
	(Profit))/Loss on sale of Assets (Net)	(862.39)	(834.56)	16.75
	Operating Profit before Working Capital Changes			
	Adjustments for:			
	Trade Receivables	(517.72)	2787.57	3180.16
	Inventories	2241.58	(305.86)	(629.95)
	Loans and advances	207.45	1302.24	84.72
	Other Current Assets	0.075	(0.075)	1.53
	Trade Payables	(6.97)	(491.37)	(1718.63)
	Other Liabilities & Provision	520.32	677.18	66.38
	Cash generated from Operations	2183.11	3158.96	984.21
	Direct Taxes Paid (Net)	(7.77)	(10.81)	(100.40)
	Net Cash Flow From Operating Activities	**2175.33**	**3169.76**	**2913.90**
B	**Cash flow from Investing Activities**			
	Purchase of Tangible Fixed Assets (Net)	(21.63)	(76.66)	(279.95)
	Purchase of Intangible Fixed Assets (Net)	(6.05)	-	-
	Sale of Tangible Fixed Assets	951.71	1173.09	26.68
	Sale of Investment	0.5	-	-
	Interest Received	241.89	-	-
	Dividend Received	-	0.075	(0.075)
	Net Cash Flow From Investing Activities	**1166.41**	**1096.51**	**(253.19)**
C	**Cash Flow from Financial Activities**			
	(Repayment) of / Proceeds from Borrowings	(1849.78)	(2427.54)	(446.39)
	Interest Received	-	131.89	85.46
	Interest Paid	(1460.92)	(1967.76)	(2008.26)
	Dividend Paid (Incl. of Tax)	-	(25.22)	(380.24)

	Net Cash Flow From Financing Activities	**(3310.71)**	**(4288.63)**	**(2749.44)**
	Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	**31.04**	**(22.36)**	**(88.73)**
	Cash & cash equivalents at beginning of the year	130.53	152.88	241.61
	Cash & cash equivalents at end of the year	161.57	130.53	152.88
	Net Increase/ (Decrease)	**31.04**	**(22.36)**	**(88.73)**

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Independent Auditors' Report

To the Members of
Sundaram Multi Pap Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Sundaram Multi Pap Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit

We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosure in the financial statements. The procedures selected depend on the - auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting and the reasonableness of the accounting estimates made by the Company's directors as, well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the notes to financial statements:

Note 31 in the standalone financial statements which indicate that, balances of certain trade receivables and advances are subject to confirmation and reconciliation. However, the management does not expect any material variation affecting the current year's financial statements on account of such reconciliation/adjustments. Accordingly, no provision has been made in the financial statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   e. on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
   f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

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g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements — Refer Note 29 to the financial statements;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses: and

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **BHUTA SHAH & Co LLP**
Chartered Accountants
Firm Reg No.: 101474W

BHUTA SHAH & CO LLP
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FRN – 101474W / W100100
CHARTERED ACCOUNTANTS

CA. Shailesh Bhuta
Partner
Membership No.: 033958

Mumbai, 23 May 2016

"Annexure — A"

to Independent Auditors' Report of even date on the standalone financial statements for the year ended 31 March 2016 referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements".

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are herd in the name of the Company.

(ii) in respect of its inventories:

As explained to us, the inventories have been physically verified during the year by the management at reasonable intervals and in our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such verification.

(iii) The Company has granted unsecured loan to one Company covered in the register maintained under section 189 of the Act,

(a) according to the information and explanations given to us, there are no terms and conditions attached to the loan;

(b) according to the information and explanations given to us, the loan is repayable on demand, however, the payment of interest has been stipulated and receipt of interest is regular;

(c) there is no overdue amount and hence clause (iii) (c) of Para 3 is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect of loan given. The Company has not given any guarantee or provided any security during the year.

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public as per provisions of section 73 to 76 of the Act and rules framed thereunder, and accordingly, the provisions of Clause (v) of Para 3 of the Order are not applicable to the Company.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a

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CHARTERED ACCOUNTANTS

detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) According to information and explanations given to us and on the basis of our examination of records of the Company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, service tax, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there were no arrears of statutory dues as on 31 March 2016 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax or value added tax which have not been deposited on account of any dispute.

According to the information and explanations given to us, the following due in respect of duty of excise has not been deposited by the Company on account of dispute:

Name of the Statute	**Nature of due**	**Forum where dispute is pending**	**Period to which the amount relates**	Amount involved (Rs.)
Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise	FY 2012-13	4,190,537

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders except deferred sales tax loan of Rs. 2,064,441 from SICOM payable since financial year 2007-08.

(ix) Based on our audit procedures and on the information and explanations given to us by the management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, provisions of Clause (ix) of Para 3 of the Order is not applicable to the Company.

(x) Based on the audit procedures performed and based on the information and explanations given to us by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) Based on the audit procedures performed and the information and explanations given to us by' the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the provisions of Clause (xii) of Para 3 of the Order are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with

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CHARTERED ACCOUNTANTS

sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with the directors Accordingly, provisions of Clause (xv) of Para 3 of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and accordingly, question of obtaining registration thereof does not arise.

For **BHUTA SHAH & Co LLP**
Chartered Accountants
Firm Reg No.: 101474W/W100100

BHUTA SHAH & CO LLP
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CHARTERED ACCOUNTANTS

CA. Shailesh Bhuta
Partner
Membership No.: 033958

Mumbai, 23 May 2016

"Annexure B"

to Independent Auditors' Report of even date referred to in paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements"

Report on the Internal Financial Controls under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Sundaram Multi Pap Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by 1CAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **BHUTA SHAH & Co LLP**
Chartered Accountants
Firm Reg No.: 101474W

BHUTA SHAH & CO LLP
MUMBAI
FRN – 101474W / W100100
CHARTERED ACCOUNTANTS

CA. Shailesh Bhuta
Partner
Membership No.: 033958

Mumbai, 23 May 2016

SUNDARAM MULTI PAP LIMITED

BALANCE SHEET **AS AT 31st MARCH, 2016**

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
		Rs	Rs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	215,605,773	215,605,773
Reserves And Surplus	4	802,221,426	912,840,045
		1,017,827,199	**1,128,445,818**
Non-Current Liabilities			
Long-Term Borrowings	5	219,136,048	468,470,336
Deferred Tax Liabilities (Net)	6	21,734,042	36,133,774
Long Term Provisions	7	1,186,436	3,391,297
		242,056,526	**507,995,457 1**
Current Liabilities			
Short-Term Borrowings	8	429,817,338	363,661,175
Trade Payables	9	95,017,607	94,370,945
Other Current Liabilities	10	276,685,825	222,242,426
Short-Term Provisions	11	1,566,479	4,004,193
		803,087,249	684,278,744
Total Equity, & Liabilities		**2,062,970,973**	**2,320,720,019**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12A	862,256,331	942,420,128
Intangible Assets	12B	10,027,975	20,055,954
		872,284,306	962,476,082
Non-Current Investments	13	250,000,000	150,050,000
Long Term Loans And Advances	14	4,100,673	4,107,629
		254,100,673	154,157,629
		1,126,384,979	**1,116,633,711**
Current Assets			
Inventories	15	419,287,702	640,427,495
Trade Receivables	16	270,478,138	217,444,294
Cash And Cash Equivalents	17	13,362,218	6,065,239
Short-Term Loans And Advances	18	233,310,933	339,994,777
Other Current Assets	19	147,003	154,503
		936,585,994	**1,204,086,308**
Total Assets		**2,062,970,973**	**2,320,720,019**

Significant Accounting Policies *1* to 44

The *accompanying notes form an integral part of the standalone financial statements*

For Bhuta Shah & Co LIT
Chartered Accountants
Firm Reg. No.: 10147100100

Shailesh Bhutai
Partner
Membership No.: 033958

Mumbai, 23rd May, 2016

BHUTA SHAH & CO LLP
MUMBAI
FRN – 101474W / W100100
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Amrut P. Shah
Chairman & Managing **Director**

Shantilal P.Shah
Whole-time Director

ltajesh B. ain

Manik R. ivlakwana
Company Secretary

SUNDARAM MULTI PAP LTD.
MUMBAI

SUNDARAM MULTI PAP LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	Note No.	As at 31st March, 2016	As at 31st, March, 2015
INCOME		Amount in	Amount in
Revenue From Operations	20	960,212,607	833,024,5%
Other Income	21	2,740,831	1,951,021
Total Income (I)		962,953,438	834,975,617
EXPENSES			
Cost Of Materials Consumed	22	598,510,955 1	593,380,127
Purchase Of Stock-In-Trade		19,152,133	208,637,484
Changes In Inventories Of Finished Goods And Work-In-Progress	23	123,188,643	(113,902,459)
Employee Benefits Expenses	24	31,530,924	36,109,154
Finance Costs	25	99,477,237	121,645,753
Depreciation And Amortization Expenses	26	32,771,567	33,067,973
Other Expenses	27	68,109,270	96,888,655
Total Expenses (II)		972,740,729	975,826,687
Profit/ (Loss) before extraordinary items and tax (I) - (II)		(9,787,291)	(140,851,070)
Other Income			
Exceptional items	28	(68,871,134)	(34,030,715)
Profit Before Tax		(78,658,425)[1]	(174,881,786)
TAX EXPENSES/ BENEFITS:			
(1) Current Tax			-
(2) Deferred Tax		(14,399,732)	
(3) Short / (Excess) Provision Of Earlier Years		(136,778)	(7,416,195)
Total Tax Expenses		(14,536,510)	(7,416,195)
Profit/ (Loss) For The Year		64,121,915)	(167,465,591)
Earnings Per Share: (Face Value Of Z 1/- Each)	36		
(1) Basic		(0.30)	(0.78)
(2) Diluted		(01 30)	(0.78)

Note for disclosure related to AS-24 "Discontinuing Operation" 42

Significant Accounting Policies 1 to 44

For Bhuta Shah & Co ˉup

Firm Reg, No.: 10 4W/ W100100

·ilesh Bhuta

Partner

Membership No.: 033958

BHUTA SHAH & CO LLP MUMBAI FRN – 101474W / W100100 CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Arnrat P. Shah

Chairman & Managing Director

Rajesh B. Jain

Shantilal P.Shah

Whole-time Director

Man Makwana

Company Secretary

SUNDARAM MULTI PAP LTD. MUMBAI

SUNDARAM MULTI PAP LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Particulars	Year Ended 31ST MARCH, 2016		Year Ended 31ST MARCH, 2015	
		Amount in Rs		Amount in Rs	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit/ (Loss) Before Tax And Extraordinary Items		(78,658,426)		(174,881,786)
	Adjustment For:				
	Depreciation	32771,567		33,067,973	
	Interest Income	(23,213,543)		(36,198,503)	
	Dividend Income			(7,500)	
	Preliminary Expenses W/Off			-	
	Interest Paid	122,690,780		157,844,258	
	(Profit)/Loss On Sale Of Assets (Net)	(86,239,041)		(83,456,086)	
			46,009,763		71,250,141
			(32,648,662)		(103,631,645)
	Operating Profit Before Working Capital Changes				
	Adjustment For:				
	Trade Receivables	(53,033,843)		272,081A51	
	Inventories	221,139,792		(32,920,252)	
	Loans & Advances	19,115,728		127,169,206	
	Other Current Assets	7,500		(7,500)	
	Trade Payables	646,662		(46,124,969)	
	Other Liabilities & Provisions	54,343,399		77,300,670	
			242,219,238		397,498,606
	Cash Generated From Operations		209,570,576		293,866,961
	Direct Taxes Paid(Net)		(777,017)		1,080,532
	Net Cash Generated From/ (Utilised in) Operating Activities		208,793,559		294,947,493
B.	Cash Flow From Investing Activities				
	Purchase Of Tangible Fixed Assets (Net)	(113,323)		(5,792,038)	
	Sale Of Tangible Fixed Assets	95,171,008		117,309,923	
	Sale of Investment	50,000			
	Purchase Of Equity Shares Of subsidiary	(100,000,000			
	interest Received	23,213,543		36,198,505	
	Dividend Received	-		7,500	
	Net Cash Generated From/ (Utilised in) Investing Activities		18,321,228		147,723,890
C.	Cash Flow From Financing Activities : .				
	Loan given to Subsidiary	86,051,148		(37,253,394)	
	(Repayment) of /Proceeds **From** Borrowings	(183,178,175)		(245,095,626)	
	Interest Paid	(122,690,780)		(157,844,258)	
	Dividend Paid (Incl. Of Tax)			(2,522,479)	
	Net Cash Generated From/ (Utilised in) Financing Activities		(219,817,807):		(442,715,756)
	Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)		7,296,980		(44,373)
	Cash And Cash Equivalents At Beginning Of The Year	6,065,238		6,109,612	
	Cash And Cash Equivalents At End Of The Year	13,362,218		6,065,239	
	Net Increase/ (Decrease)		7,296,980		(44,373)

Note:

1 Cash And Cash Equivalents Consists Of Cash On Hand And Balance With Banks,

2 The Above Cash Flow Statement Has Been Prepared Under The Indirect Method As Set Out In Accounting Standard - 3 "Cash Flow Statement" Issued By Tice Institute Of Chartered Accountants Of India.

3 Previous Year's Figures Have Been Re-Grouped or Re-Arranged, Wherever Considered Necessary.

SUNDARAM MULTI PAP LIMITED

FINANCIAL YEAR 2015 -16

Note 1.

We designs, manufactures and markets paper stationery products - exercise note books, long books, note pads, scrap books, drawing books, graph books - for students of all ages, as well as office/ corporate stationery products and printing, writing & packaging paper.

We have over 190 varieties of paper stationery products under the brand "Sundaram" which are very popular among the student communities and enjoy very high reputation in the market for its superb quality and durability. Sundaram multi pap ltd was incorporated on 13th March, 1995 with the Registrar of Companies, Maharashtra, at Murnbai and the Certificate of Commencement of Business was obtained on 10th April, 1995.
At the start of the Company in the year 1995, we had a capacity of 5 tons per day of conversion of paper into paper stationery, which was increased to 60 tons per day as of now which is also considering 75% utilisation of the machinery.

With the strong brand and market penetration we are present in pan Maharashtra and are number one brand among consumers today.

Note .2

SIGNIFICANT ACCOUNTING POLICIES:

i. Accounting Conventions:

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) under historical cost convention on accrual basis except for certain financial instrument which are measured at fair values to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Ac") read with rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SERI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

ii. Use of Estimates;

Preparation of financial statements in conformity of with Indian GAAP requires that the Management of the Company to makes estimates and assumptions that affect the reported amount of income and expenses of the period, the reported balances of assets and liabilities and the assumptions relating to contingent liabilities on the date of the financial statements. Examples of such estimates include the

BHUTA SHAH & CO LLP MUMBAI FRN – 101474W / W100100 CHARTERED ACCOUNTANTS useful life of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known and if material, their effects are disclosed in the notes to the financial statements.

iii. Valuation of Inventories:

Raw materials, stores and packing materials are valued at lower of cost or net realizable value. Cost is assigned on FIFO basis. Semi - finished goods are valued at raw material cost plus proportionate manufacturing overheads. Finished goods are valued at lower of the cost or net realizable value. Unrealized profit, if any, in inter unit transaction is eliminated to the extent possible.

iv. Cash Flow Statement:

Cash flows are reported using indirect method, whereby profit/(Ions) before extraordinary item and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future, cash receipts or payments. The cash flow from operating, investing and financing activities of the company are segregated based on the available information

v. Depreciation / Amortization:

Depreciation on tangible fixed assets is provided on the straight line method as per useful life prescribed in Schedule II of the Act Depreciation on. Addition/deletion of assets during the year is provided on pro-rata basis. Brand will be amortized over a period of five subsequent years on a systematic basis as decided by the management at the rate of 20% in each year.

vi. Revenue Recognition:

The Company recognizes revenue on sale of products upon dispatch to the customer or when delivered to the ocean carrier for export sales, which is when risks and rewards of ownership are passed to the customer. Sales are shown net of returns, discounts, excise duty and sales tax.

a) Dividend income on investment is accounted for in the year in which the right to receive the payment is established.
b) Interest income is recognized on the time proportion basis taking into account amount outstanding and interest rate applicable,
c) The Company recognizes revenue on sale of products upon dispatch to the customer or when delivered to the ocean carrier for export sales, which is when

BHUTA SHAH & CO LLP MUMBAI FRN – 101474W / W100100 CHARTERED ACCOUNTANTS

SUNDARAM ... LTD.

vii. Export Incentives:
Considering the uncertainty in respect of actual income realizable, which depends on the market conditions, the benefits accruing under the Duty Entitlement Pass Book Scheme are recognized on the basis of actual realization.

viii. Foreign Currency Transactions:
Transactions in foreign currency are recorded at the rate of exchange in force at the time transactions are affected. Exchange differences arising on settlement of these transactions are recognized in the Statement of Profit and Loss.

Monetary items (other than those related to acquisition of fixed assets) denominated in foreign currency are revalued using the exchange rate prevailing at date of the Balance Sheet and resulting exchange difference is recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

ix. Investments:
Non-Current Investments are stated at cost. Provision for diminution in the value is made only if such a decline is other than temporary.

Current investments are carried at lower of cost or fair value/market value, determined on individual basis.

x. Employee Benefits:
a) Short Term Employee Benefits:
All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and wages, leave salary etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service.

b) Post-Employment Benefits:
i) Defined contribution plans:
A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to the separate entity. The Company makes specified monthly contributions towards employee provident fund. The Company's contribution paid / payable under the schemes is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

ii) Defined benefit plan:
The Company's gratuity benefit scheme is a defined benefit plan. The Company contributes to a gratuity Funds which has taken a group policy with Life Insurance Corporation of India for future payments of

BHUTA SHAH & CO LLP MUMBAI FRN – 101474W / W100100 CHARTERED ACCOUNTANTS

SUNDARAM

gratuity to retiring employees. The premium has been so adjusted as to cover the liability under the scheme in respect of all employees at the end of their future anticipated services with the company.

c) Leave encashment:
Liability on account of Leave Encashment up to year end has been provided/ paid during the year. None of the employee is allowed to carry forward leave to subsequent period.

xi. Borrowing Cost:
Borrowing Costs that are attributable to acquisition or construction of a qualifying asset are capitalized as a part of the cost of such asset. A Qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use, All other borrowing costs are charged to Statement of Profit and Loss.
The Company has been granted restructuring of loan facility by its banks State Bank of India (Lead Bank). Lead Bank has discretion to recoup concession given to company at a future date depending on the financial position of company. The Management has decided to account such cost as an when event arises.

xii. Leases:
Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with respective Tease agreements.

xiii. Earning per share:
Basic earning per share is computed by dividing the profit/ (loss} after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing profit/(loss) after tax as adjusted for dividend, interest and other charges charges to expense or income relating to the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion at all dilutive potential equity shares.

xiv. Taxes on Income:
Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 1961 and other applicable tax laws. Deferred tax is recognized on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of being reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deffered tax liabilities are recognized for the timing differences. De erne: tax assets are recognized for timing difference of items other than unabsorbed

BHUTA SHAH & CO LLP MUMBAI FRN – 101474W / W100100 CHARTERED ACCOUNTANTS

SUNDARAM MULTI PAP LTD.

depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However if there are unabsorbed depreciation and carry forward losses and items relating to capital losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets, Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the company has a legally enforceable right for such set-off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

Impairment of Fixed Assets:

At each Balance Sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

xv. Contingent Liability:

The Company creates a provision 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 obligation.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not result in outflow of resources.
When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

xvi. Financial Derivatives Hedging Transaction:
In respect of derivatives contract, premium paid, provision for losses on restatement and gains/losses on settlement are recognized in statement of Profit and Loss. The company uses Foreign Currency Hedges to manage its risks associated with Foreign Currencies Fluctuation relating to Export receivable. The company does not use Hedges for speculative purpose.

BHUTA SHAH & CO LLP MUMBAI FRN 101474W / W100100 CHARTERED ACCOUNTANTS

SUNDARAM MULTI PAP LTD. MUMBAI

SUNDARAM MULTI PAP LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 3 : SHARE CAPITAL	As at 31st March, 2016	As at 31st March, 2015
Authorized Capital		
250,000,000 (31 March 2015: 250,000,000) Equity Shares of Re 1/- Each	250,000,000	250,000,000
	250,000,000	250,000,000
Issued, Subscribed & Paid-up Capital		
215,605,773 (31 March 2015: 215,605,773) Equity Shares of Re1/- Each Fully Paid	215,605,773	215,605,773
Total of Issued, Subscribed And Fully Paid Up Share Capital	**215,605,773**	**215,605,773**

a) Reconciliation of the number of shares is set out below :

Particulars	2015-16		2014-15	
	Equity Shares		Equity Shares	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	215,605,773	215,605,773	215,605,773	215,605,773
Shares issued during the year	-	-	-	-
Shares Bought Back During the Year	-	-	-	-
Shares outstanding at the end of the year	**215,605,773**	**215,605,773**	**215,605,773**	**215,605,773**

b) Rights, preferences and restrictions attached to Equity Shareholders:

The company has only one class of equity shares having a face value of Z1/- per share, each holder of equity shares is entitled to one vote per equity share. A member shall not have any right to vote whilst any call or other sum shall be due and payable to the company in respect of any of the shares of such member. All equity shares of the company rank pari passu in all respects including the right to dividend,

In the event of winding-up, subject to the rights of holders of shares issued upon special terms and conditions, the holders of equity shares shall be entitled to receive remaining assets, if any, in proportion to the number of shares held at the time of commencement of windingup.

The shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the memorandum of association and articles of association of the company, as applicable.

b) The company does not have any holding company or ultimate holding company. Promoter shareholding in the company including persons acting in concert with the promoters as on 31 March 2016 is 69,455,585 equity shares i.e. 32.21% of the equity share capital of the company. Previous year 31 March 2015 is 76,229,348 equity shares i.e. 35.36 %.

c) The Details of Share Holders Holding More Than 5% Shares:

Name Of Shareholder	As at 31 March, 2016		As at 31 March, 2015	
	No. Of Shares	% of Holding	No. Of Shares held	% of Holding
Amrut P Shah	22,283,925	10.34	23,288,887	10.80
Raichand P Shah	21,734,503	10.08	26,898,304	12.48
Shantilal P Shah	14,787,157	6.86	14,787,157	6.86
Citigroup Global Markets Mauritius*	-	-	11,825,702	5.48
Ganjam Trading Pvt Ltd	14,999,499	6.96	14,999,499	6.96

*Citigroup Global Markets Mauritius holds 572,702 Shares i.e. 0.27% as on 31 March 2016

e) The Company has allotted 143,737,182 (FY 1) equity shares by way of Bonus issue in the Financial Year 2012-13 in the ratio 1:2.

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NOTE 4 : RESERVES & SURPLUS	As at 31st March, 2016	As at 31st March, 2015
(a) Capital Reserve		
Opening Balance	700,000	700,000
Add: Capital Reserve	-	-
Capital Reserve = Closing Balance	700,000	700,000
(b) Securities Premium Reserve		
Opening Balance	466,413,981	466,413,981
Add: Securities Premium Reserve		-
Securities Premium Reserve - Closing Balance	466,413,981	466,413,981
(c) Revaluation Reserve		
Opening Balance	404,947,354	443,754,167
Add: Revaluation of Land *	(48,601,564)	(38,806,813)
Revaluation Reserve - Closing Balance	356,345,790	404,947,354
(d) General Reserve		
Opening Balance	16,972,914	16,972,914
Add: Transition provision as per AS 15 (Revised)	2,104,861	-
General Reserve - Closing Balance	19,077,775	16,972,914
(e) Surplus In The Statement Of Profit And Loss		
Opening Balance	23,805,796	438,032,001
Add: Depreciation Adjusted Against Free Reserves	-	(246,760,614)
Add: Net Profit/ (Loss) For The Year	(64,121,916)	(167,465,591)
Balance Available For Appropriation	(40,316,120)	23,805,796
Transfer To General Reserve		-
Net Surplus/(Deficit) In The Statement of Profit And Loss	(40,316,120)	23,805,796
Total Of Reserves And Surplus	802,221,426	912,840,045

*The Company has revalued its Land at Palghar on 31st May 2013

NOTE 5: LONG TERM BORROWINGS	As at 31st March, 2016	As at 31st March. 2015
Term Loan		
Secured		
From Banks		
State Bank Of India *	187,435,204	389,106,588
Industrial Development Bank of India	2,175,376	39,000,000
Yes Bank**	10,000,000	20,000,000
Vehicle Loans ***		173,440
From Others		
From Other Parties $	3,161,177	3,826,067
Deferred Payment Liabilities		
Unsecured	13,554,850	13,554,850
Sales Tax Deferred Loan @	2,064,441	2,064,441
Total of Long Term Borrowings	219,136,048	468,470,386

*In case of delay/default as on the Balance Sheet date in repayment of loans and interest with respect to above: (1) Period of Default : Earlier Years Amount : 2,064,441

Corporate Loan-State Bank of India (SBI)

Secured primarily by first charge (Hypothecation and mortgage) over the fixed assets (immovable and movable) of the company as well as personal guarantee of three directors and collaterally secured by extension of hypothecation charge over entire current assets of the company. Further, additional collateral security carrying first pari-passu charge in the form of pledge of promoter's shares to the extent of 100% of E-Class Education System Ltd. has also been given. The said Loan carries floating rate of interest ranging of 3% above base rate. The repayment of the Loan shall commence from September 2015 and to be fully repaid by March 2020.

Funded Interest Term Loan (FITL) and Working Capital Term Loan (WCTL) - Sita and Industrial Development Bank of India (IDBI).

Secured primarily by first part passu charge over the entire current assets (present and future) of the company as well as personal guarantee of three directors and collaterally secured by second part - passu charge (hypothecation and mortgage) over the fixed assets (movable and immovable) of the Company, with IDBI bank. Further, additional collateral security carrying first part-passu charge in the form of pledge of promoter's shares to the extent of 100% of E-Class Education System Ltd. has also been given. The said Loans carries floating rate of interest ranging between 2.75% to 3% above base rate. The repayment of WCTL shall commence from September 2015 and to be fully repaid by September 2016. The repayment of FITL shall commence from December 2015 and to be fully repaid by March 2020.

** Secured by subservient charge over current and movable fixed assets of the company as well as personal guarantee of three directors and pledge of shares of the Company carrying floating rate of interest of 2% above base rate and repayable by June, 2018.

*** Secured by Hypothecation of respective vehicles purchased carrying interest ranging from 10.75% to 13.25% and repayable by May-2016.

$ Secured by Hypothecation of respective vehicles purchased carrying interest ranging from 12% and repayable by March-2021.

@ Repayment shall commence from the financial year 2015-16 up to 2024-25.

5.1 Out the above loans, three Directors of the Company have given their personal guarantee for secured loans (except vehicle loan) aggregating to Rs. 455,140,795/-.

NOTE 6: DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2016,	As at 31st March, 2015
Liabilities		
Depreciation	39,968,576	45,739,409
(A)	39,968,576	45,739,409
Assets		
Employee Benefits / Expenses Allowable on Payment oasis	366,609	1,100,306
Unabsorbed Depreciation *	17,867,925	8,505,329
(B)	18,234,534	9,605,635
	36,133,774	36,133,774
Net Deferred Tax Liability Charged To Statement of Profit And Loss (D) = A-B-C	**(14,399,732)**	**(0)**
Net Deferred Tax Liability (E)=C+D	**21,734,042**	**36,133,774**

4- The Company has recognised deferred tax asset of 17,867,925/- (31 March 2015: 8,505,329/-) on unabsorbed depreciation to the extent there is deferred tax liability on timing differences that will reverse in the future.

NOTE 7: LONG TERM PROVISIONS

	As at 31st 2016	M at 31st March, 2015
Provision For Employees Benefit		
Provision For Gratuity	1,186,436	3,391,297
Total of Long Term Provisions	1,186,436	3,391,297

NOTE: 8 SHORT TERM BORROWINGS

	As at March, 2016	As at March, 2016
Loan Repayable on Demand From Banks		
Secured		
Cash Credit from State Bank Of India	126,101,133	126,380,657
Cash Credit from Industrial Development of India	25,258,474	25,355,622
Loans & Advances From Related Parties		
Unsecured		
Loan From Directors###	32,912,875	59,554,200
Deposit		
Unsecured		
Inter corporate Deposits ##	245,544,856	152,370,696

** Secured primarily by first pari passu charge over stock and book debts of the Company with other working capital lender and personal guarantee of three directors and collaterally. Secured by second part - passu charge (hypothecation and mortgage) over the fixed assets of the company. Further, additional collateral security carrying first pari-passu charge in the form of pledge of promoters shares to the extent of 100% of E-Class Education System Ltd. has also been given. The said loan carries interest rate ranging between 2.75% to 3% above base rate.

It consist of loan from three Directors and are interest free- Further, all the loans are provided by the director from their own funds.

All inter corporate deposits are taken against pledge of Promoters Equity Shares held in the Company.

NOTE 9 TRADE PAYABLES

[redacted]	**As at 31st March, 2016**	**As at 31st March, 2015**
Micro, Small And Medium Enterprises (Refer Note 33)		94,370,945
Others	95,017,607	
Total of Trades Payable	**95,017,607**	**94,370,945**

NOTE 10: OTHER CURRENT LIABILITIES

	As at 31st March, 2016	**As at 31st March, 2015**
Current Maturities Of Long-Term Borrowings (Refer Note 5)		
From Banks	**255,530,215**	**192,893,879**
Vehicle Loans	**739,091**	**1,219,942**
Sales Tax Deferred Loan	**124,660**	**124,660**
Advance From Customers	**9,716,109**	**11,900,791**
Unpaid Dividend	**328,730**	**501,713**
Other Payables		
Outstanding Expenses	**8,364,682**	**11,490,088**
Outstanding Statutory Liabilities	**1,882,338**	**4,111,353**
Total Of Other Current Liabilities	**276,685,825**	**222,242,426**

NOTE 11 SHORT TERM PROVISIONS

	As at 31st March, 2016	As at 31st March, 2015
Others		
Provision For Income Tax	**1,566,479**	**4,004,198**
Total Of Short Term Provisions	**1,566,479**	**4,004,198**

NOTE 13 NON CURRENT INVESTMENTS

	As at March, 2016	As at March, 2015
Trade Investments		
Others (Valued at cost)		
Investment In Unquoted Equity Instruments		
i Subsidiary		
25,000,000 Equity Shares of Rs. 10/- Each Fully Paid up of E-Class Education System Ltd (31 March 2015: 15,000,000 Shares)	250,000,000	150,000,000
ii Others		
5,000 Equity Shares of Rs. 10/- Each Fully Paid up of Abhuydaya Co-operative Bank Ltd. (31 March 2015 : 5000 Shares)	-	50,000
Total of Non-Current Investments	**250,000,000**	**150,050,000**

Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	250,000,000	150,050,000
Total of Non-Current Assets	**250,000,000**	**150,050,000**

NOTE 14: LONG TERM LOANS AND ADVANCES

	As at 31st March, 2016	As at 31st March, 2015
Security Deposits		
Unsecured, **Considered Good**	**4,100,673**	4,107,629
Total Of Long Term Loans And Advances	**4,100,673**	**4,107,629**

NOTE 15: INVENTORIES

	As at 31st March, 2016	As at 31st March, 2015
Raw Materials	121,373,047	106,344,239
Work-In-Progress	110,080,633	105,135,603
Finished Goods	24,438,655	48,350,188
Trading Goods	146,328,161	357,096,552
Stores & Spares	17,067,207	23,501,210
Total of Inventories	**419,287,702**	**640,427,495**

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NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 12: FIXED ASSETS AS ON 31st MARCI1 2016 **Amount in Rs**

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As on 1st April, 2015	Additions During the Year	Deductions During the Year	As on 31st March 2016	As on 1st April, 2015	For the Year	Deductions During the Year	As on 31st March 2016	As on 31st March 2016	As on 31st March 2015
A. Tangible Assets: (Owned)										
Freehold Land	585,143,048	-	50,287,860	534,855,188	-		-	-	534,855,188	585,143,048
Building	218,413,827			218,413,827	92,454,237	4,311,453	-	96,765,690	121,648,137	125,959,590
Plant & Machinery	263,756,576		8,381,254	255,375,322	72,565,948	10,200,688	1,181,514	81,585,122	173,790,200	191,190,628
Furniture &I Fixture	73,689,719	29,767		73,719,486	49,837,812	4,878,506		54,716,318	19,003468	23,851,907
Vehicles	32524,475		918,644	31,605,831	17,297,181	3,105,482	872,712	19,529,951	12,075,880	15,227,294
Office **Equipment's**	**6,421,251**	**83,556**		6,504,807	5,373,589	247,459	-	5,621,048	883,759	1,047,662
Total Tangible Assets	**1,179,948,896**	**113,323**	**59,587,758**	**1,120,474,461**	**237,528,767**	**22,743,588**	**2,054,226**	**258,218,129**	**862,256,331**	**942,420,129**
B. Intangible Assets:										
Brand	72,930,746	-	-			10,027,979	-	62,902,771	10,027,975	20,055,954
Total Intangible Assets	**72,930,746**	**-**	**-**			**10,027,979**	**-**	**62,902,771**	**10,027,975**	**20,055,954**
TOTAL (A+B)	**1,252,879,642**	**113,323**	**59,587,758**	**1,193,405,207**	**290,403,559**	**32,771,567**	**2,054,226**	**321,120,900**	**872,284,306**	**962,476,083**
Previous Year	**1,598,859,521**	**5,792,038**	**351,771,917**	**1,252,879,642**	289,686,243	33,067,973	269,766,399	290,403,559	962,476,082	

12.1 Adoption of useful life of the assets as per the requirement of schedule II of the Companies Act,2013

Effective from 1 April, 2014 the company has charged depredation based **on revised remaining useful life of the** assets as per the **requirement of Schedule II of the Companies** Act, 2013 as per Para 7(b) of notes **to part C.**