



## Monteil & Munero

### LORENZINI APPARELS LIMITED

Our Company was originally incorporated as Lorenzini Apparels Private Limited at National Capital Territory of Delhi and Haryana as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 09, 2007 bearing registration number 163192 issued by Assistant Registrar of Companies, Delhi. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on March 15, 2017 and fresh certificate of incorporation consequently upon change of name was issued by Assistant Registrar of Companies, Delhi dated March 30, 2017 and name of our Company was changed to Lorenzini Apparels Limited. The Corporate Identification Number is U17120DL2007PLC163192. For further details of change of name and registered office of our Company, please refer to the chapter titled “Our History and Certain Other Corporate Matters” beginning on page 80 of this Prospectus.

**Registered & Corporate Office:** TA 168 & 187 Ground Floor, Gali No. 2, Tuglakabad Extn New Delhi-110019, India.

**Tel No:** 011-40504731 | **Fax No:** Not Available | **Email:** [cs@mymonteil.com](mailto:cs@mymonteil.com) | **Website:** [www.mymonteil.com](http://www.mymonteil.com).

**Contact Person:** Laveena Jain, Company Secretary & Compliance Officer

**OUR PROMOTERS: SANDEEP JAIN AND DEEPIKA JAIN**

#### THE ISSUE

**PUBLIC ISSUE OF 44,70,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH (“EQUITY SHARES”) OF LORENZINI APPARELS LIMITED (“THE COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. 10/- PER EQUITY SHARE (THE “ISSUE PRICE”), AGGREGATING RS. 447.00 LAKHS (“THE ISSUE”), OF WHICH 2,30,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- FOR CASH AT A PRICE OF RS. 10/- EACH AGGREGATING TO 23.00 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 42,40,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH FOR CASH AT A PRICE OF RS. 10/- PER EQUITY SHARE, AGGREGATING TO RS. 424.00 LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 44.09% AND 41.82%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARE IS RS. 10 EACH AND THE ISSUE PRICE RS 10 IS 1.0 TIMES OF THE FACE VALUE OF THE EQUITY SHARES**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME** For further details please refer the section titled “Issue Information” beginning on page no. 157 of this Prospectus.

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page no. 164 of this Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013

#### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is Rs. 10 and the Issue price of Rs. 10/- per Equity Share is 1.0 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager as stated in the chapter titled ‘Basis for Issue Price’ beginning on page 59 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and / or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS



Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the Company and this issue, including the risks involved. The Equity Shares issued in the issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to the section titled ‘Risk Factors’ beginning on page 11 of this Prospectus.

#### COMPANY’S ABSOLUTE RESPONSIBILITY

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

#### LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of BSE Limited (“BSE”). Our Company has received an approval letter dated January 22, 2018 from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
	
<b>FEDEX SECURITIES LIMITED</b> 305, Enterprise Centre, Nehru Road, Vile Parle (East), Mumbai 400099, Maharashtra, India <b>Tel No.:</b> 022 26117553 / 26178936 <b>Fax No.:</b> 022 2618 6966 <b>E-mail:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a> <b>Contact Person:</b> Rinkesh Saraiya <b>SEBI Registration Number:</b> INM000010163 <b>Investor Grievance E-mail:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a>	<b>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED</b> 4A9, Gundecha Onclave, Kherani Road, Sakinaka, Mumbai 400 072, Maharashtra, India. <b>Tel No.:</b> 022 28511022 / 62215779 <b>Fax No.:</b> N.A <b>E-mail:</b> <a href="mailto:viren@skylinerta.com">viren@skylinerta.com</a> <b>Website:</b> <a href="http://www.skylinerta.com">www.skylinerta.com</a> <b>Contact Person:</b> Virendra Rana / Subhash Dhingreja <b>SEBI Registration No.:</b> INR000003241 <b>Investor Grievance E-mail:</b> <a href="mailto:grievances@skylinerta.com">grievances@skylinerta.com</a>
<b>ISSUE OPENS ON</b>	<b>ISSUE CLOSES ON</b>
<b>WEDNESDAY, JANUARY 31, 2018</b>	<b>TUESDAY, FEBRUARY 06, 2018</b>

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**SECTION I - GENERAL  
DEFINITIONS AND ABBREVIATIONS**

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Prospectus, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI (ICDR) Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

**Company Related Terms**

Term	Description
“Lorenzini Apparels Limited”, “LAL”, “We” or “us” or “our Company” or “the Issuer” or “you”, “your” or “yours”	Unless the context otherwise requires, refers to Lorenzini Apparels Limited, a Company incorporated under the Companies Act, 1956 vide a certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana.
AOA/Articles / Articles of Association	Prospective investors in this Issue.
Audit Committee	Unless the context otherwise requires, refers to the Articles of Association of Lorenzini Apparels Limited, as amended from time to time.
Board/ Board of Directors / Our Board	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.
Director(s)	The Board of Directors of our Company, including all duly constituted Committees thereof.
Equity Shareholders	Director(s) on the Board of our Company, as appointed from time to time, unless otherwise specified.
Equity Shares/Shares	The holders of the Equity Shares.
Group Companies/Entities	The equity shares of our Company of a face value of Rs.10.00 each unless otherwise specified in the context thereof
Key Management Personnel / KMP	Such companies/entities as covered under the applicable accounting standards and such other companies as considered material by the Board. For details of our Group Companies/entities, please refer “ <i>Group Entities</i> ” on page 97 of this Prospectus
MoA/Memorandum of Association	Key management personnel of our Company in terms of the SEBI (ICDR) Regulations and the Companies Act, 2013. For details, please refer “ <i>Our Management</i> ” on page 83 of this Prospectus
Non Resident	The memorandum of association of our Company, as amended
Non-Resident Indian/ NRI	A person resident outside India, as defined under FEMA Regulations
Overseas Corporate Body / OCB	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Peer Reviewed Auditor	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. <b>OCBs are not allowed to invest in this Issue.</b>
Person or Persons	The independent peer reviewed Auditor of our Company M/s. PKJ and Co, Chartered Accountants
Promoter Group	Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership Firm, Limited Liability Partnership, Joint Venture, or Trust or Any Other Entity or Organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoters	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(zb) of the SEBI (ICDR) Regulations
Registered Office	Sandeep Jain and Deepika Jain
	The registered office of our Company is situated at TA 168 & 187,Ground Floor, Gali No. 2, Tuglakabad Extn, New Delhi-110019, India

Restated Financial Statements	The restated financial statements of our Company for the Period/Financial Years ended March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and July 31, 2017 which comprises the restated balance sheet, the restated statement of profit and loss and the restated cash flow statement, together with the annexures and notes thereto and the examination report thereon
Statutory Auditor	The Statutory Auditor of our Company, M/s S C Verma & Associates, Chartered Accountants

### Issue Related Terms

Term	Description
Acknowledgement Slip	The slip, document or counter foil issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allottee	A successful Applicant to whom the Equity Shares are Allotted.
Applicant	Any prospective investor who makes an application pursuant to the terms of this Prospectus and the Application Form. Pursuant to SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, with effect from January 01, 2016 all applicants participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications.
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of this Prospectus.
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) by an Applicant to make an Application authorizing the relevant SCSB to block the Application Amount in the relevant ASBA Account Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all potential investors shall participate in the Issue only through ASBA process providing details about the bank account which will be blocked by the SCSBs.
ASBA Account	Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount in relation to an Application by an Applicant.
ASBA Applicant(s)	Any prospective investors in this Issue who apply for Equity Shares of our Company through the ASBA process in terms of this Prospectus.
Banker to the Issue	Bank which are clearing members and registered with SEBI as banker to an issue and with whom the Public Issue Account will be opened, in this case being ICICI Bank Ltd.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, described in chapter titled "Issue Procedure" on page 171 of this Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the name and contact details of the Registered Brokers, are available on the website of the BSE on the following link- <a href="http://www.bseindia.com">www.bseindia.com</a> .
Broker to the Issue	All recognized members of the stock exchange would be eligible to act as the Broker to the Issue.
Business Day	Any day on which commercial banks are open for the business.
CAN / Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Applicant who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number of the Applicant's beneficiary account.
Collection Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms.
Compliance Officer	The Company Secretary of our Company, Laveena Jain.

Term	Description
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Demographic Details	The details of the Applicants including the Applicants' address, names of the Applicants' father/husband, investor status, occupations and bank account details.
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996.
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ).
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account or unblock such amounts, as appropriate in terms of this Prospectus.
Designated Intermediaries / Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker / Market Maker	In our case, Nikunj Stock Brokers Limited having its Registered office at A-92, Ground Floor, Left Portion, Kamla Nagar, Delhi-110007
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ).
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange/ Stock Exchange	BSE Limited
Draft Prospectus / DP	The Draft Prospectus dated January 19, 2018, filed with BSE Limited.
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe for the Equity Shares.
Eligible QFI	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened dematerialised accounts with SEBI registered qualified depository participants as QFIs and are deemed as FPIs under the SEBI FPI Regulations.
First Applicant	The Applicant whose name appears first in the Application Form or the Revision Form
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI and included in "Issue Procedure" on page 164 of this Prospectus
Issue / Public issue / Issue size / Initial Public issue / Initial Public Offer / Initial Public Offering/IPO	Public issue of 44,70,000 Equity Shares of face value of Rs.10.00 each of our Company for cash at a price of Rs.10.00 per Equity Share aggregating to Rs. 447.00 lakhs by our Company, in terms of this Prospectus.
Issue Agreement	The Issue Agreement dated January 17, 2018 entered into between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	February 06, 2018
Issue Opening Date	January 31, 2018

<b>Term</b>	<b>Description</b>
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which prospective Applicants can submit their Applications, including any revisions thereof.
Issue Price	The price at which Equity Shares are being issued by our Company being Rs. 10.00 per Equity Share.
Lead Manager / LM	The lead manager to the Issue, in this case being Fedex Securities Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the BSE Limited.
Market Maker Reservation Portion	2,30,000 Equity Shares of Rs.10/- each at Rs.10/- per Equity Share aggregating to Rs.23.00 Lakhs reserved for subscription by the Market Maker.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on August 31, 2017 in accordance with the requirements of the SEBI (ICDR) Regulations.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 42,40,000 Equity Shares of face value of Rs.10.00 each at an Issue Price of Rs.10.00 per equity share aggregating to Rs.424.00 lakhs.
Non-Institutional Investors / NIIs	All Applicants, including Category III FPIs that are not QIBs or Retail Individual Investors who have made Application for Equity Shares for an amount of more than Rs.2,00,000 (but not including NRIs other than Eligible NRIs).
Prospectus	This Prospectus to be filed with the RoC in accordance with the provisions of Section 26 of the Companies Act, 2013.
Public Issue Account	The account to be opened with the Banker to the Issue under Section 40 of the Companies Act, 2013 to receive monies from the ASBA Accounts on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals.
Registrar Agreement	The Agreement between the Registrar to the Issue and the Issuer Company dated May 15, 2017, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Issue	Skyline Financial Services Private Limited
Retail Individual Investors/ RIIs	Applicants (including HUFs, in the name of Karta and Eligible NRIs) whose Application Amount for Equity Shares in the Issue is not more than Rs. 2,00,000/-.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
Self Certified Syndicate Banks or SCSBs	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
SME Platform of BSE / SME Exchange	The SME Platform of BSE for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations.
Underwriter	Fedex Securities Limited
Underwriting Agreement	The agreement dated January 17, 2018 entered into between the Underwriter and our Company.
Working Day(s)	“Working Day” shall be all trading days of Stock Exchange, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

#### **Conventional and General Terms and Abbreviations**

<b>Term</b>	<b>Description</b>
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount

<b>Term</b>	<b>Description</b>
Authorised Dealers	Authorised Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
AY	Assessment Year
Banking Regulation Act	Banking Regulation Act, 1949
B. A.	Bachelor of Arts
B.Com	Bachelor of Commerce
Bn	Billion
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investor(s)	FPIs registered as Category I Foreign Portfolio Investors under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	An FPI registered as a category II foreign portfolio investor under the SEBI FPI Regulations
Category III Foreign Portfolio Investor(s)	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CBEC	Central Board of Excise and Customs
CDSL	Central Depository Services (India) Limited
Central Sales Tax Act	Central Sales Tax Act, 1956
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Companies Act 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from June 7, 2016, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate Social Responsibility
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
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP	Depository Participant
DP ID	Depository Participant's identity number
DTC	Direct Tax Code, 2013
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000

<b>Term</b>	<b>Description</b>
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal / Fiscal Year / FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIPB	Foreign Investment Promotion Board
Foreign Portfolio Investor or FPIs	A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/Government	Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ` or Rs.	Indian Rupee, the official currency of the Republic of India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
ISIN	International Securities Identification Number
KMP	Key Managerial Personnel
Legal Metrology Act	Legal Metrology Act, 2009
LIBOR	London interbank offered rate
Ltd.	Limited
Maternity Benefit Act	Maternity Benefit Act, 1961
M. A	Master of Arts
M.B.A	Master of Business Administration
MCA	The Ministry of Corporate Affairs, GoI
M. Com	Master of Commerce
MCI	Ministry of Commerce and Industry, GoI
Minimum Wages Act	Minimum Wages Act, 1948
Mn	Million
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not Applicable
NAV	Net asset value
NIFT	National Institute of Fashion Technology
No.	Number
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPV	Net Present Value
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRE Account	Non-Resident External Account established and operated in accordance with the FEMA
NRIs	Non Resident Indians
NRO Account	Non-Resident Ordinary Account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies



<b>Term</b>	<b>Description</b>
p.a.	per annum
Pcs	Pieces
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent account number
PAT	Profit after tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
PIL	Public Interest Litigation
PPP	Public private partnership
Public Liability Act	Public Liability Insurance Act, 1991
Pvt./(P)	Private
PWD	Public Works Department of state governments
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
QIC	Quarterly Income Certificate
RBI	The Reserve Bank of India
R&D	Research & Development
RoC or Registrar of Companies	The Registrar of Companies, Delhi
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME	Small and Medium Enterprise
STT	Securities Transaction Tax
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act, 1933
US\$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
Wages Act	Payment of Wages Act, 1936
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Workmen's Compensation Act	Workmen's Compensation Act, 1923

## Technical / Industry Related Terms

Term	Description
CCCT	China Chamber of Commerce for Import and Export of Textiles
CMAI	Clothing Manufacturers' Association of India
CSO	Central Statistical Organisation
DEPB	Duty entitlement pass book scheme
ERP	Enterprise resource planning
F&O	Futures and Options
FDI	Foreign Direct Investment
FMC	Forward Market Commission
FOB	Free on Board
GDP	Gross Domestic Product
GOI	Government of India
ISO	International Standards Organization
KVIC	Khadi & Village Industries Commission
MFA	Multi-Fibre Arrangement
NIFTY	National Stock Exchange Sensitive Index
RMGs	Readymade Garments
RONW	Return on Net Worth
SENSEX	Bombay Stock Exchange Sensitive Index
SSI	Small Scale Industry
SITP	Scheme for integrated textile parks
TPH	Tonnes per hour
TUFS	Technology Upgradation Fund Scheme
VCF	Venture Capital Funds

Notwithstanding the foregoing:

1. In '*Main Provisions of the Articles of Association*' on page 205 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
2. In '*Summary of Our Business*' and '*Our Business*' on page 31 and 69 respectively, of this Prospectus, defined terms shall have the meaning given to such terms in that section;
3. In '*Risk Factors*' on page 11 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
4. In '*Statement of Possible Special Tax Benefits*' on page 61 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
5. In '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' on page 129 of this Prospectus, defined terms shall have the meaning given to such terms in that section.

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

In this Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Lorenzini Apparels Limited” and “LAL”, unless the context otherwise indicates or implies, refers to Lorenzini Apparels Limited.

### **Certain Conventions**

All references in this Prospectus to “India” are to the Republic of India. All references in this Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

### **Financial Data**

Unless stated otherwise, the financial data in this Prospectus is derived from our restated financial statements for the Period/financial years ended July 31, 2017, March 31, 2013, 2014, 2015, 2016 and 2017 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations and the Indian GAAP which are included in this Prospectus, and set out in ‘*Financial Statements*’ on page 101 of this Prospectus.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards (the “**IFRS**”) and the Generally Accepted Accounting Principles in the United States of America (the “**U.S. GAAP**”). Accordingly, the degree to which the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points, except for figures in percentage. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

### **Currency and units of presentation**

In this Prospectus, unless the context otherwise requires, all references to (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakhs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’.

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

### **Industry and Market Data**

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, our Company believes that industry data used in this Prospectus is reliable, it has not been independently verified.

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

## FORWARD LOOKING STATEMENTS

All statements contained in this Prospectus that are not statements of historical facts constitute 'forward-looking statements'. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in this Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- general economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- developments affecting the Indian economy; and
- Inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 11, 69 and 129 respectively of this Prospectus.

Forward looking statements reflects views as of the date of this Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Lead Manager, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.

## SECTION II - RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties summarised below, before making an investment in our Equity Shares. The risks described below are relevant to, the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 69 and 129 respectively, of this Prospectus as well as the other financial and statistical information contained in this Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in ‘Financial Statements’ on page 101 of this Prospectus. Unless stated otherwise, the financial data in this section is prepared in accordance with Indian GAAP, as restated.*

*If any one or more of the following risks as well as other risks and uncertainties discussed in this Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of your investment.*

*This Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in this Prospectus.*

*These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.*

### **Materiality**

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

- 1. Some events may not be material individually but may be material when considered collectively.*
- 2. Some events may have an impact which is qualitative though not quantitative.*
- 3. Some events may not be material at present but may have a material impact in the future.*

### **INTERNAL RISKS**

- 1. If we are unable to maintain and enhance our “Monteil” and “Monteil & Munero” brand, the sales of our products may suffer which would have a material adverse effect on our business operations.***

We believe that the brand image we have developed has significantly contributed to the success of our business. We also believe that maintaining and enhancing the “Monteil” and “Monteil & Munero” brand, are critical to maintaining and expanding our customer base. Maintaining and enhancing our brand may require us to make substantial investments in areas such as research and development, outlet operations, marketing and employee training, and these investments may not be successful. Our success will depend largely on our ability to maintain, anticipate, gauge and respond in a timely manner to changing fashion trends and consumer demands and preferences, and to continue to provide high quality products and services. This will attract our prospective consumers and develop faith for our brand. Further, our business is also dependent on the trust that our customers have in our brand and products. If our Company is unable to maintain the quality of its products, it could lead to a negative publicity of our brand name and image in the market. Such negative publicity of our brand name could adversely affect our profitability and business operations.

- 2. Revenue generated from our business is subject to seasonal variations with a significant portion of revenue generated primarily during the third quarter of each Fiscal year.***

Our business is seasonal in nature, with a significant portion of revenue generated primarily during the third quarter of each Fiscal year. We believe that the seasonality of our business is substantially dependent upon the seasonality in the sales of our winter products which primarily occurs in the third quarter of any particular fiscal year. As a result our revenue and profits may vary significantly during different financial periods and certain periods may not be indicative of our financial position for the year and may be significantly below the expectations of the market, analysts and investors.

**3. We do not own certain premises used by our Company and disruption of our rights as lessee or termination of the agreements with our lessors would adversely impact our business.**

As on the date of this Prospectus, our Registered office and our stores/outlets have been taken by us on lease basis from various lessors and out of which one of the store/outlet located at Shop no. 104 (Ground floor), Plot No. I-2, Sector 25A, Noida has been taken on lease from M/s Sai Investment Consultant Pvt. Ltd. for a period of 90 years with effect from July 16, 2002. There can be no assurance that our Company will be able to successfully renew the said lease or franchisee agreements in a timely manner or at all. Further there can be no assurance that we will not face any disruption of our rights as a lessee and that such lease and franchisee agreements will not be terminated prematurely by the lessor. Any such non-renewal or early termination or any disruption of our rights as lessee will adversely affect our business operations.

**4. Our Company, Promoters and Directors are involved in certain legal proceedings, any adverse developments related to which could materially and adversely affect our business, financial condition and reputation.**

Our Company, Promoters and Directors are involved in certain legal proceedings. A classification of these legal and other proceedings are given in the following table:

I. Litigation involving the Company

(Rs. in lakhs)			
S. No.	Nature of litigation	Number of cases	Approximate amount involved
<b>Against the Company</b>			
1.	Civil	1	12.24
2.	Income Tax	3	2.27

II. Litigation against our Promoters

(Rs. in lakhs)			
S. No.	Nature of litigation	Number of cases	Approximate amount involved
1.	Tax proceedings	3	4.30

III. Litigation against the Directors

(Rs. in lakhs)			
S. No.	Nature of litigation	Number of cases	Approximate amount involved
1.	Tax proceedings	3	0.69

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. We can give no assurance that these legal proceedings will be decided in Company's/promoter's/Director's favour. We may incur significant expenses and management time in such legal proceedings. If any adverse developments arise, for example, a change in Indian law or rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. Any adverse decision may render us / promoter liable to liabilities / penalties and may have a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

For further details regarding these legal proceedings, please refer "Outstanding Litigations and Material Developments" on page 136 of this Prospectus.

**5. We may not be able to successfully execute our expansion strategy of strengthening our sales network by opening new outlets, in a timely manner, if at all, which could harm our results of operations.**

We distribute our portfolio of products through "Monteil" and "Monteil & Munero" brand outlets. While we intend to continue our expansion in north India, by opening additional "Monteil" and "Monteil & Munero" brand outlets. As on August 30, 2017, there were 18 "Monteil" and "Monteil & Munero" Brand Outlets in National Capital Territory of Delhi. However, we have not identified any specific locations or entered into discussion with franchise partners for new "Monteil" and "Monteil & Munero" Brand Outlets and our ability to effectively execute our expansion strategy depends on our ability and that of our franchisees to open new "Monteil" and "Monteil & Munero" Brand Outlets successfully.

If we are unable to successfully execute our expansion strategy by way of opening and operating additional

“Monteil” and “Monteil & Munero” Brand Outlets, our business, results of operations and financial condition may be materially and adversely affected.

**6. Our ability to attract customers to our “Monteil” and “Monteil & Munero” Brand Outlets depends heavily on successfully locating our outlets in suitable locations and providing a distinctive in-store experience and any impairment of an outlet location, including any decrease in customer traffic, could cause our sales to be less than estimated and have a material adverse effect on our results of operations.**

The success of any exclusive brand outlet depends substantially on its location and our ability to provide a distinctive in-store experience. Sales at such exclusive brand outlets are derived, in part, from the volume of foot traffic in these locations. Outlet locations may become unsuitable due to, and our sales volume and customer traffic generally may be harmed by, among other things:-(i) economic slowdown in a particular area or city/region, (ii) competition from nearby retailers apparel, (iii) changing consumer demographics in a particular market; (iv) changing lifestyle choices of consumers in a particular market.

Changes in areas around our outlet locations that result in reductions in customer foot traffic or otherwise render the locations unsuitable could cause our sales to be less than estimated. Our ability to effectively obtain suitable commercial property to relocate existing outlets or open new outlets depends on the availability of commercial property that meets our criteria for customer traffic, square footage, lease economics, demographics and other factors, including our ability to negotiate terms that meet our financial targets. Failure to secure adequate new locations or failure in providing a unique in-store experience could have a material adverse effect on our results of operations. In addition, rising real estate prices may restrict our ability to lease new desirable locations or our ability to find franchisees willing to operate in desirable yet more expensive locations. If we cannot obtain desirable locations at reasonable prices our ability to effect our growth strategy will be adversely affected.

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

The apparel industry in particular, is highly and increasingly competitive and our results of operations and financial condition are sensitive to, and may be materially adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations.

We compete directly against direct retailers of apparel, diversified apparel companies with substantial market share, established companies selling internationally renowned brands, as well as against domestic retailers and regional competitors. Many of our competitors are large apparel companies with strong brand recognition. However, the domestic apparel segment is fragmented and continues to be dominated by unorganised and regional suppliers. We compete primarily on the basis of brand image, style, performance and quality. We believe that in order to compete effectively, we must continue to maintain our brand image and reputation, be flexible and innovative in responding to rapidly changing market demands and consumer preferences, and offer consumers a wide variety of high quality apparel at competitive prices.

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

**8. We also rely on third parties for our sales and distribution operations, and if such third parties fail to assist us in a consistent, timely and efficient manner, our business, results of operations and financial condition may be adversely affected.**

Our sales operations also depend upon our network of third parties acting as franchisees who operate our “Monteil” and “Monteil & Munero” brand outlets. As of August 30, 2017, we operate twelve “Monteil” and “Monteil & Munero” outlet and our franchisees operate an additional six. We cannot assure you that such franchisees or we will be able to establish or maintain adequate sales capabilities, or will be successful in ensuring sale of our products.

Further, although we enter into franchise agreements with such franchisees, we cannot assure you that such franchisees will be able to fulfil their obligations under such agreements entirely, in a manner acceptable to us, or at all. Franchisees, as independent business operators, may, from time to time, disagree with us and our strategies regarding the business or our interpretation of our respective rights and obligations under applicable franchise agreements. We cannot assure you that such franchisees shall not breach certain terms of such agreements, or shall not choose to terminate their agreements with our Company. We may have to initiate litigation in respect of any breach by such franchisees, and such litigation could divert the attention of our management from our operations, which could harm our business, financial condition and results of operation. We further cannot assure you that the outcome of any such litigation will be favourable to us.

**9. *We rely on third party suppliers to provide our raw materials and to manufacture a significant part of our products, and we have limited control over them and may not be able to obtain quality products on a timely basis or in sufficient quantity which may have a material adverse effect on our results of operations.***

Other than ladies tops and men, we outsource a significant part of our products to third party manufacturers. Further, we also source all of our raw materials from third-party suppliers. If we experience significant increased demand, or need to replace an existing manufacturer, there can be no assurance that additional supplies of raw materials or additional manufacturing capacity will be available when required on terms that are acceptable to us, or at all, or that any supplier or manufacturer would allocate sufficient capacity to us in order to meet our requirements or fill our orders in a timely manner. Even if we are able to expand existing or find new manufacturing or raw material sources, we may encounter delays in production and added costs as a result of the time it takes to train our suppliers and manufacturers in our methods, products and quality control standards. Delays related to supplier changes could also arise due to an increase in shipping times if new suppliers are located farther away from our markets or from other participants in our supply chain. Any delays, interruption or increased costs in the supply of raw materials or manufacture of our products could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term. In addition, there can be no assurance that our suppliers and manufacturers will continue to provide yarn, fabrics and other raw materials or manufacture products that are consistent with our standards.

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

Our results of operations depend upon the continued demand by consumers for our products. We operate in an industry that is highly competitive and where customers' purchases are highly subjective and sensitive to trends and fashion tastes. Creativity and being abreast with the latest fashion trends is one of the key attributes for success in this industry. For our Company to remain competitive in respect of appealing designs, our designers have to keep themselves abreast with the latest global trends, and fashion demands and more importantly understand the requirements of the customers. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to modify our products on a timely basis, we may lose customers to our competitors, or may be forced to reduce our sales realization on products by having to offer them at a discount, thereby reducing our margins.

**11. *Our Company has not taken factory license, shops and establishment.***

As on the date of this Prospectus, our Company do not have factory license and shop and establishment. The lack of our ability to obtain factory license may lead to no function business loss

**12. *Our limited operating experience, limited brand recognition in new markets may limit our expansion strategy and cause our business and growth to suffer.***

We seek to increase our presence in eastern, southern and western India as a part of our endeavour to increase the market penetration of our products and brand across India. Further, we have a limited number of customers in these markets and we may face risks in relation to delayed acceptance of our products due to limited brand recognition., We may also face risks in expanding our operations in geographic areas in which we do not possess the same level of familiarity with the economy, consumer preference, commercial operations and distribution network and with product offerings that we have limited operating experience of. In addition, our competitors in such geographic areas may already have established operations in such geographic areas and particularly in the cotton and cotton blended apparels market, and we may find it difficult to attract customers in such geographic areas. Our expansion plans could be delayed or abandoned, could cost more than anticipated and could divert resources from other areas of our business or divert management's attention from other aspects of our business and place a strain on our management, operational and financial resources, as well as our information systems, any of which could impact our competitive position and reduce our revenue and profitability.



**13. *We do not generally enter into agreements with our suppliers or manufacturers and accordingly may face disruptions in supply from our current suppliers or manufacturers.***

We generally do not enter into agreements with our suppliers for purchase of raw material, or with any of our third party manufacturers, and typically transact business on an order-by-order basis. There can be no assurance that there will not be a significant disruption in the supply of raw materials or finished products from current sources or, in the event of a disruption, that we would be able to locate alternative suppliers of materials or third party manufacturers of comparable quality at an acceptable price, or at all. Identifying a suitable supplier or a third party manufacturer is an involved process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labor and other ethical practices.

Further, we cannot assure you that our third party manufacturers will continue to be associated with us on reasonable terms, or at all. Since such third party manufacturers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such third party manufacturers, which may cause them to cater to our competitors alongside, or even instead of us. Any interruptions to the manufacturing operations of the third party manufacturers due to strikes, lock outs, work stoppages or other forms of labour unrest, break down or failure of equipment, floods and other natural disaster as well as accidents could affect our ability to receive an adequate supply of quality products at reasonable prices.

Any delays, interruption or increased costs in the supply of fabric or manufacture of our products arising from a lack of long-term contracts could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term.

**14. *We rely on third-party transportation providers for substantially all of our product distribution and failure by any of our transportation providers to deliver our products on time or at all could result in lost sales.***

We currently rely upon third-party transportation providers for substantially all of our product distribution. Our utilization of delivery services for shipments is subject to risks, including increases in fuel prices, which would increase our delivery costs, and employee strikes and inclement weather, which may impact the ability of providers to provide delivery services that adequately meet our transportation needs. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and our results of operation negatively. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

**15. *Continued operations of our manufacturing facilities are critical to our apparel business and any disruption in the operation of our facilities may have a material adverse effect on our business, results of operations and financial condition.***

We operate our manufacturing facility in National capital territory of Delhi. Our manufacturing facility are subject to operating risks, such as break-down, obsolescence or failure of machinery, disruption in power supply or processes, performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Our machines have limited lives and require daily cleaning as well as annual over hauling maintenance. Further, in the past we have primarily imported our machinery from outside India. The service and repair centres for such imported machinery may not be available in India. In the event of a breakdown or failure of such machinery, replacement parts may not be available in India and such machinery may have to be sent for repairs or servicing to the country from where it was procured. This may lead to delay and disruption in our production process that could have an adverse impact on our sales, results of operations, business growth and prospects. In the event that we are forced to shut down our manufacturing facility for a significant period of time, it would have a material adverse effect on our earnings, our other results of operations and our financial condition as a whole.

**16. *Our operations and revenue are currently concentrated in the northern regions of India and the inability to retain and grow our business in these regions and also growth in other regions of India may have an adverse effect on our business and prospect.***

Our present operations and revenues are, currently, concentrated in the northern regions of India. Further, our manufacturing facility and all our stores are also located in northern India. While our strategic objectives include geographical expansion across India, including in the eastern, southern and western regions of India, in the event of a significant drop in our sales from the northern regions of India or the emergence of a strong pan-India apparels provider (or an aggregation of several strong regional players) competing in the segments in which we operate, our business, financial condition, results of operations and prospects may be adversely affected.

**17. *Our Company may not be able to sell its inventory through their stores and such inventory may be subject to mark downs which may impact our results of operations and financial conditions.***

Since our products are based on seasons, our Company faces the risk of not being able to sell its inventory through their stores and such unsold inventory may be subject to mark downs and inventory being sold by our Company at heavily discounted rates. Further we may offer discounts at the end of a season and run stock clearance sales. In case we sell any of our products at a lower price than the rates normally charged, it may impact our results of operations and financial conditions

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

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

We cannot assure you that no such claims will be brought against us in the future or that such claims will be settled in our favour. Any such successful claims against us could adversely affect our results of operations. Management resources could also be diverted away from our business towards defending such claims.

**19. *If we are unable to service our debt obligations in a timely manner or to comply with various financial and other covenants and other terms and conditions of our financing agreements, it may adversely affect our business, prospects, results of operations and financial condition.***

Our total debt obligations payable on account of term loan, vehicle loans and cash credit facilities availed by our Company from Banks/NBFC as on July 31, 2017 is Rs. 94.37 Lakhs. The said loans/cash credit facilities has been secured, inter-alia, by way of equitable mortgage of properties (land & building), pledge of fixed deposit, hypothecation of vehicles along with accumulated interest, additional collateral security in form of recurring deposit and personal guarantee of third parties.. Some of these agreements contain restrictive covenants relating to issuance of new shares, changes in capital structure, making material changes to constitutional documents, implementing any expansion scheme, incurring further indebtedness, encumbrances on or disposal of assets, paying dividends and making investments over certain thresholds. There can be no assurance that we will be able to comply with these restrictive covenants, or that we will be able to obtain the consents necessary to proceed with the actions which we believe are necessary to operate and grow our business, which may in turn have a material adverse effect on our business and operations. Any failure to pay our dues in time or comply with any requirement or other condition or covenant under our loan agreements, may lead to a termination of our agreements, and may adversely affect our business, prospects, results of operations and financial condition.

For further information on the indebtedness of our Company, please refer the Section “**Financial Indebtedness**” on page 127 of this Prospectus.

**20. *Our business depends on protection of our intellectual property in our product range. Our ability to compete effectively will be impaired if we are unable to protect our intellectual property rights.***

We believe our success depends in large part on our brand image. As on the date of this Prospectus, Sandeep Jain and Deepika Jain, our promoter, own the rights over certain trademarks including “*Monteil & Munero*”, “*Invern*” etc. Additionally, we have in our name registered the trademarks including “*Monteil*” and “*Calgari*”. For further information, see “**Government and Other Approvals**” on page 140.

We are exposed to the risk that other entities may pass off their products as ours by imitating our brand name, packaging material and attempting to create counterfeit products. We believe that there may be other companies or vendors which operate in the unorganized segment using our trade name or brand names. The measures we take to protect our intellectual property include relying on Indian laws and initiating legal proceedings, which may not be adequate to prevent unauthorised use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

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

Upon completion of this Issue, our Promoters and Promoter Group will continue to own a majority of our Equity Shares. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders' approval. Our Promoters will also be in a position to influence any shareholder action or approval requiring a majority vote, except where they may be required by applicable law to abstain from voting. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in the best interests of our Company. The interests of our Promoters could conflict with the interests of our other equity shareholders, and the Promoters could make decisions that materially and adversely affect your investment in the Equity Shares.

**22. We have not made any dividend payments in the past and 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.**

In the past, we have not made dividend payments to the shareholders of our Company. The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows and requirement to fund operations and expansion of the business. 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. For further details, please refer "Dividend Policy" on page 100 of this Prospectus.

**23. We have issued Equity Shares during the last one year at a price that may be below the Issue Price.**

During the last one year we have issued Equity Shares at a price that is lower than the Issue Price as detailed in the following table:

Date of allotment	Number of Equity Shares allotted	Face value(Rs.)	Issue Price(Rs.)	Nature of Consideration	Nature of allotment
22/02/2017	4,40,000	10	Nil	Other than Cash	Bonus in the ratio of 44 Equity Shares for every 1 Equity Share
16/06/2017	6,84,855	10	Nil	Other than Cash	Bonus in the ratio of 3 Equity Shares for every 10 Equity Share

For details of the Allottees, please refer "Capital Structure" on page 42 of this Prospectus.

**24. Our business relies on the performance of our information technology systems and any failure to install, run or migrate to new software or systems, may have an adverse effect on our information security and our operations and profitability.**

We use information technology systems to monitor all aspects of our business and rely significantly on such systems for the efficient operations and the security of our information. Our business uses the information technology systems for, among other things, the monitoring of inventory levels, the allocation of merchandise to our outlets, employee productivity measuring and budget planning and information security. Our information technology systems may not always operate without interruption and may encounter temporary abnormality or become obsolete. Further, we cannot assure you that the level of security we presently maintain is adequate or that our systems can withstand intrusions from or prevent improper usage by third parties. We may not always be successful in installing, running and migrating

to new software or systems as required for the development of our business. Even if we are successful in this regard, significant capital expenditure may be required, and we may not be able to benefit from the investment immediately. All of these may have a material adverse impact on our operations and profitability.

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

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as breakdown, malfunctions, sub-standard performance or failures of manufacturing equipment, fire, riots, third party liability claims, loss-in-transit for our products, accidents and natural disasters. At present our insurance policies provide for coverage against risk including loss of money, burglary, fire, damage, cargo, etc. however, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. For further details please refer to the section titled “*Our Business*” on page 69 of this Prospectus.

**26. *Some of our lease agreements may have certain irregularities which may have a material adverse impact on our business.***

Some of our lease agreements have certain irregularities such as inadequate stamping and/or non registration of deeds and agreements and improper execution of lease deeds. The effect of inadequate stamping and non registration is that the document is not admissible as evidence in legal proceedings, and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping and non registration. In the event of any dispute arising out of such unstamped or inadequately stamped and/or unregistered lease agreements, we may not be able to effectively enforce our leasehold rights arising out of such agreements which may have a material adverse impact on our business.

**27. *We require a number of approvals, licenses, registration and permits for our business and failure to obtain or renew them in a timely manner may adversely affect our operations.***

We may require several statutory and regulatory permits, licenses and approvals in the ordinary course of our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the timeframe anticipated by us or at all. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension, delay in issuance or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see chapters titled “*Key Industry Regulations and Policies in India*” and “*Government and Other Approvals*” at pages 74 and 140 respectively of this Prospectus.

**28. *Information relating to the historical capacity of our production facilities included in this Prospectus is based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the historical capacity of our production facilities included in this Prospectus is based on various assumptions including those relating to availability of raw materials and operational efficiencies. Actual production levels and rates may differ significantly from the production capacities. Undue reliance should therefore not be placed on our historical capacity information for our existing facilities included in this Prospectus.

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

Our Company depends on the management skills and guidance of our Promoters for development of business strategies, monitoring its successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our key managerial personnel. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our key managerial personnel are unable or unwilling to continue in his/ her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. There is significant competition for management and other skilled personnel in the branded apparel industry in which we operate, and it may be difficult

to attract and retain the personnel we require in the future. There can be no assurance that our competitors and other apparel brands will not offer better compensation packages and incentives to such key managerial personnel. Further, as on the date of this Prospectus, our Company does not have key man insurance policies and in the event we are not able to attract and retain talented employees, as required for conducting our business, or we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and operations may be adversely affected. For further details on our key managerial personnel, please refer to the chapter titled “*Our Management*” on page 83 of this Prospectus.

**30. *Our Company has unsecured loans, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations and financial condition of our Company.***

As on July 31, 2017, our Company has unsecured loans aggregating to Rs. 55.87 Lakhs. For further details of these unsecured loans, please refer to chapter titled “*Financial Statements*” beginning on page 101 of this Prospectus. In case of any demand from lenders for repayment of such unsecured loans, the resultant cash outgo, may adversely affect our business operations and financial position of our Company.

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

Our business and the industry we operate in are vulnerable to the problem of shoplifting by customers, pilferage by employee, damage, obsolescence and error in documents and transactions that go unnoticed. An increase in product shrinkage levels at our existing and future retail stores or our franchisee centres may force us to install additional security and surveillance equipment, which will increase our operational costs and may have an adverse impact on our profitability. Further, we cannot assure you whether these measures will successfully prevent such losses. Furthermore, there are inherent risks in cash management including, theft and robbery, employee fraud and the risks involved in transferring cash from our retail stores to banks.

Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurer the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

**32. *Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.***

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

(Rs. in lakhs)

Particulars	As at July 31, 2017	For the Financial Year ended March 31		
		2017	2016	2015
Net Cash Flow from/(used in) Operating Activities	(160.18)	(523.67)	118.67	64.51
Net Cash Flow from/(used in) Investing Activities	(24.29)	31.15	(63.08)	(137.09)
Net Cash Flow from/(used in) Financing Activities	174.08	451.90	(51.43)	100.13

For further details, see “*Financial Statements*” on page 101 of this Prospectus. We cannot assure you that our net cash flows will be positive in the future.

**33. *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into related party transactions with our Promoters, Promoter Group, Group Entities and Directors. While we believe that all such transactions have been conducted on the arm’s length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we may enter into related party transactions in the future. For details of these transactions, please refer to section titled “*Related Party Transactions*” at page 99 of this Prospectus.

**34. *The requirement of funds in relation to the objects of the Issue has not been appraised.***

We intend to use the proceeds of the Issue for the purposes described in the section titled “*Objects of the Issue*” on page 54. The objects of the Issue have not been appraised by any bank or financial institution. These are based on management estimates and current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of the industry, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors/Management and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would be unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer “*Objects of the Issue*” on page 54 of this Prospectus.

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

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

**37. *Our Promoters and certain of our Directors hold Equity Shares in our Company and are therefore interested in our performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Directors including our Promoters are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see the sections titled “*Our Management*” and “*Our Promoters and Promoter Group*” on pages 83 and 94 respectively of this Prospectus.

**38. *We have working capital requirements. If we experience insufficient cash flows to enable us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.***

Our business requires a substantial amount of working capital for our business operations. We would require additional working capital facilities in the future to satisfy our working capital need which is proposed to be met through the IPO proceeds. In case of our inability to obtain the requisite additional working capital finance, our internal accruals/cash flows would be adversely affected to that extent, and consequently affect our operations, revenue and profitability.

- 39. *Some of the information disclosed in this Prospectus is based on information from industry sources and publications which may be based on projections, forecasts and assumptions that may prove to be incorrect. Investors should not place undue reliance on, or base their investment decision on this information.***

The information disclosed in the “*Industry Overview*” section on page 63 of this Prospectus is based on information from publicly-available industry, Government and research information, publications and websites and has not been verified by us independently and we do not make any representation as to the accuracy of the information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

## **EXTERNAL RISKS**

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

The following external risks may have an adverse effect on our business and results of operations should any of them materialize:

- a change in the central or state governments or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular;
- high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins; and
- a slowdown in economic growth or financial instability in India could adversely affect our business and results of operations.

- 41. *Our business is dependent on economic growth in India.***

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, economic slowdown elsewhere in the world or otherwise.

There have been periods of slowdown in the economic growth of India. India’s economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results.

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

- 42. *Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business and financial results.***

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the industry in which we operate. There can be no assurance that the Government of India or state governments will not introduce new laws, regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business.

The GoI has enacted the Central Goods and Services Tax Act, 2017 to lay a framework for a comprehensive national goods and services tax (“GST”) regime that has combined taxes and levies by the Central and State Governments into a unified rate structure. The said legislation was notified and made effective from July 1, 2017. As per the new rates notified, our business are taxed at a rate of 5% and 12% for apparel items. We cannot assure you that our cash flows and results of operations will not be affected by the new tax regime. Further, any future increases or amendments to GST may affect the overall tax efficiency of our Company and may result in significant additional taxes becoming payable.

Additionally, the regulatory environment in which we operate is subject to change both in the form of gradual evolution over time and also in form of significant reforms from time to time. For instance, a recent notification issued by the Government of India withdrawing the legal tender status of currency notes of Rs.500 and Rs.1,000, may have had and may continue to have an adverse effect on certain sectors of the Indian economy. Further, the Government of India has proposed, the General Anti Avoidance Rules (“GAAR”). The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

The impact of any changes to Indian legislation on our business cannot be fully determined at this time. Additionally, our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Such unfavourable changes could decrease demand for our services and products, increase costs and/or subject us to additional liabilities. Any such changes could have an adverse effect on our business and financial results.

#### ***Risks Related to the Issue***

***43. Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our significant shareholders may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in the Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our significant shareholders, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that we will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

***44. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity 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, which are sold other than on a recognized stock exchange and on which no STT has been paid to an Indian resident, 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.

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

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



**46. Statistical and industry data contained in this Prospectus may be incomplete or unreliable.**

Statistical and industry data used throughout this Prospectus has been obtained from various government and industry publications. We believe the information contained herein has been obtained from sources that are reliable, but we have not independently verified it and the accuracy and completeness of this information is not guaranteed and its reliability cannot be assured. The market and industry data used from these sources may have been reclassified by us for purposes of presentation. In addition, market and industry data relating to India, its economy or its industries may be produced on different bases from those used in other countries. As a result data from other market sources may not be comparable. The extent to which the market and industry data presented in this Prospectus is meaningful will depend upon the reader's familiarity with and understanding of the methodologies used in compiling such data.

Further, this market and industry data has not been prepared or independently verified by us or the Lead Manager or any of their respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based on such information.

**Prominent Notes:**

1. Public issue of 44,70,000 Equity Shares of face value of Rs.10.00 each of our Company for cash at a price of Rs. 10.00 per Equity Share (“**Issue Price**”) aggregating to Rs. 447.00 lakhs (“**the Issue**”) of which 2,30,000 Equity Shares aggregating to Rs. 23.00 lakhs will be reserved for subscription by Market Maker (“**Market Maker Reservation Portion**”). The Issue less the Market Maker Reservation Portion i.e. issue of 42,40,000 Equity Shares of face value of Rs.10.00 each at an Issue Price of Rs. 10.00 per equity share aggregating to Rs. 424.00 lakhs is hereinafter referred to as the “**Net Issue**”. The Issue and the Net Issue will constitute 44.09% and 41.82%, respectively of the post issue paid-up equity share capital of our Company.
2. For information on changes in our Company’s name, Registered Office and changes in the objects clause of the MOA of our Company, please refer “*History and Certain Other Corporate Matters*” on page 80 of this Prospectus.
3. The Net Worth as at July 31, 2017, March 31, 2017, March 31, 2016 and March 31, 2015 as per our restated financial statements were Rs. 618.42 Lakhs, Rs. 304.49 Lakhs, Rs. 42.29 Lakhs and Rs.46.18 Lakhs respectively.
4. Our Net Asset Value per Equity Share as per our restated financial statements as at July 31, 2017, March 31, 2017, March 31, 2016 and March 31, 2015 were 10.91/-, Rs. 13.34/-, Rs. 422.87/- and Rs. 461.83/- respectively.
5. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

<b>Name of the Promoters</b>	<b>Average cost of acquisition (in Rs.)</b>
Sandeep Jain	10.38
Deepika Jain	1.56

*Note: The average cost of acquisition has been calculated by dividing the amount paid by Promoters on the Equity Shares presently held by them, by the number of Equity Shares presently held by them after considering the bonus shares. The above average cost of acquisition of equity shares by our promoters has been certified by M/s. S C Verma & Associates, Chartered Accountants dated October 06, 2017. For more information, please refer to the section titled “*Capital Structure*” on page 44 of this Prospectus.*

6. None of our Group Entities have any business or other interest in our Company, except as stated in “*Financial Statements*” on page 101 and “*Group Entities*” on page 97 of this Prospectus, and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
7. This Issue is being made for at least 25% of the post issue paid up Equity Share capital of our Company, pursuant to Rule 19(2) (b) (i) of the Securities Contracts (Regulation) Rules, as amended. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since the Issue is a fixed price issue ‘the allocation’ is the net issue to the public category shall be made as follows:
  - a) Minimum fifty percent to Retail Individual Investors; and
  - b) Remaining to other than Retail Individual Investors;
  - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

8. There has been no financing arrangement whereby the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Prospectus.
9. Our Company was originally incorporated as Lorenzini Apparels Private Limited at National Capital Territory of Delhi and Haryana as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 09, 2007 bearing registration number 163192 issued by Assistant Registrar of Companies, Delhi. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on March 15, 2017 and fresh certificate of incorporation consequently upon change of name was issued by Assistant Registrar of Companies, Delhi dated March 30, 2017 and name of our Company was changed to Lorenzini Apparels Limited. The Corporate Identification Number is U17120DL2007PLC163192.
10. Investors may contact the Lead Manager or the Company Secretary & Compliance Officer for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever. For contact details of the Lead Manager and the Company Secretary & Compliance Officer please refer “*General Information*” on page 38 of this Prospectus.
11. For details of the related party transactions during the last five Fiscal Years and for the period ended July 31, 2017, pursuant to the requirements under Accounting Standard 18 “*Related Party Disclosures*”, issued by the Institute of Chartered Accountants of India, see “*Financial Statements*” on page 101 of this Prospectus.

## **SECTION III – INTRODUCTION SUMMARY OF INDUSTRY**

*The information in this section is derived from various publicly available sources, government publications and other industry sources. Neither we nor 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 generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. Unless otherwise specified, references to years are to calendar years in this section.*

### **Overview of the Indian Economy**

The Indian economy with a gross domestic product (“GDP”) at current prices in the year fiscal year 2017 is estimated at Rs. 151.84 lakh crore, showing a growth rate of 11.0 percent over the estimates of GDP for fiscal 2016 of Rs. 136.82 lakh crore (Source: Central Statistical Office of India’s Ministry of Statistics and Programme Implementation, available at [http://mospi.nic.in/sites/default/files/press\\_release/PRESS\\_NOTE\\_PE\\_2016-17.pdf](http://mospi.nic.in/sites/default/files/press_release/PRESS_NOTE_PE_2016-17.pdf) as of May 31, 2017). It is one of the fastest growing major economies in the world with private final consumption contributing to over half of the overall GDP growth of 7.6% in 2015 – 2016 (Source: RBI Annual Report 2015 – 2016).

### **Textile and Apparel Industry**

India is the second-largest producer of textiles and garments in the world, with an enormous raw material and manufacturing base. The size of the Indian Textile & Clothing industry is estimated to be Rs. 8,540 billion in FY2015, which has grown at a CAGR of ~10% over the last decade. Domestic market accounts for ~73% of the total industry and export market accounts for the balance ~27%. The industry contributes ~14% to the domestic industrial production and ~4% to the country’s GDP; and is the second largest provider of employment in India, after agriculture. Apparel is the largest segment of the industry, comprising ~60% of the total industry size. While apparel accounts for ~65% of the total domestic market, its share in textile exports remained lower at ~45%. Hence, given the sizeable share in exports of textile intermediates, there is tremendous scope for increasing the share of apparels in textile exports to increase domestic value addition and attract investments in the apparel sector. The readymade garments market is estimated at \$45 billion, of which the domestic market is around \$27 billion, while exports stand at \$18 billion.

The Indian textile industry is expected to have positive growth in the current financial year on account of the following factors as discussed above:

- Good Monsoons.
- Passing of GST bill increasing the investor confidence resulting in increased Foreign investments.
- Acceptance of 7th Pay commission recommendations by the Central Government.

### **Apparel Industry in India:-**

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

India is the world's second-largest manufacturer and exporter of textiles and apparels, with a massive raw material and manufacturing base. The industry is a significant contributor to the economy, both in terms of its domestic share and exports. It contributes about 10 per cent to manufacturing production, 2 per cent to the GDP and 15 per cent to the country's total exports earnings. The sector is the second largest employment provider in the country, employing about 51 million people directly and 68 million people indirectly in FY 2015-16. The apparel and garment sector provides employment to 12.3 million people as of 2016-17 and produces 3.6 million tonnes (MT) of apparel and garments.

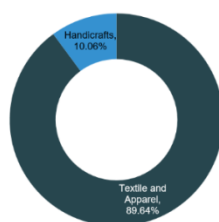
(Source: <https://www.ibef.org/exports/apparel-industry-india.aspx>).

### **Readymade Garments And Cotton Textiles Dominate Exports:-**

- The domestic textile and apparel industry was the largest contributor to total textile and apparel exports from India in FY17. The segment had a share of 89.64 per cent. This segment includes readymade garments, jute, cotton, silk etc.

- The handicrafts segment accounted for 10.06 per cent of the total exports in FY17.

Share in India textile export (FY17)



(Source: www.ibef.org)

### Segments in Textile and Apparel Sector:-

The textile & apparel industry can be broadly divided into 2 segments:

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

### Advantage India:-

#### – Robust demand

- Increased penetration of organised retail, favorable demographics & rising income levels to drive textile demand.
- Growth in building & construction will continue to drive demand for non-clothing textiles.

#### – Increasing Investments

- Huge investments are being made by Government under Scheme for Integrated Textile Parks (SITP)-(USD184.98 million) & Technology Upgradation Fund Scheme (TUFs)-(term loan sanctioned in February, 2015-USD 2198.45 million) to encourage more private equity & to train workforce.

#### – Competitive Advantage

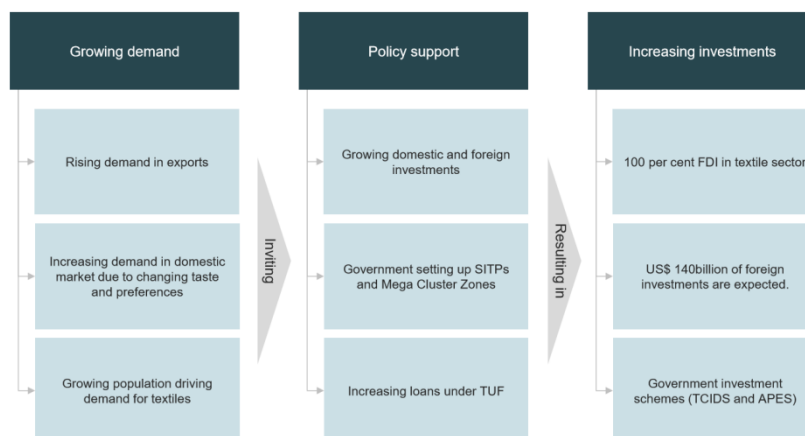
- Abundant availability of raw materials such as cotton, wool, silk and jute.
- India enjoys a comparative advantage in terms of skilled manpower & in cost of production relative to major textile producers.

#### – Policy Support

- 100 per cent FDI (automatic route) is allowed in the Indian textile sector.
- Under Union Budget 2016-17, the government has allocated USD7.43 billion for setting up integrated parks in India.
- Free trade with ASEAN countries & proposed agreement with European Union will boost exports.

### Growth Drivers:-

- **Strong Fundamentals And Policy Support Aiding Growth**



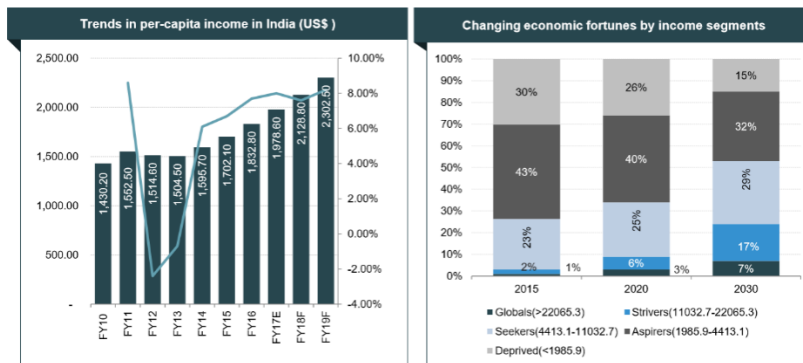
(Source: www.ibef.org)

- **Changing demographics has also contributed significantly to the sector**

- ✓ By 2014, India’s population had almost doubled compared to figures 30 years before.
- ✓ India’s growing population has been a key driver of textile consumption growth in the country.
- ✓ Moreover, according to World Bank, urban population accounts for 32.7 per cent of the total population of India. This also works as demand driver due to changing taste and preferences in the urban part of India.
- ✓ It has been complemented by a young population which is growing and at the same time is exposed to changing tastes and fashion.
- ✓ Complementing this factor is rising female workforce participation in the country.

- **Rising incomes and a growing middle-class have been key demand drivers**

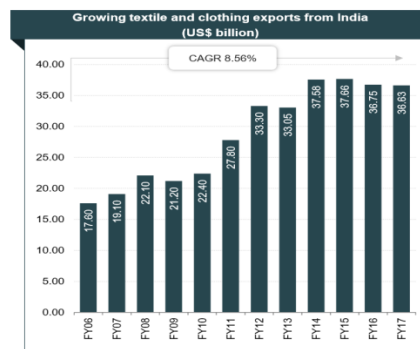
- ✓ Rising incomes has been a key determinant of domestic demand for the sector; with incomes rising in the rural economy as well, the upward push on demand from the income side is set to continue.
- ✓ Rising industrial activity would support the growth in the per capita income.



(Source: www.ibef.org)

- **Exporters gaining from strong global demand**

- ✓ Capacity built over years has led to low cost of production per unit in India’s textile industry; this has lent a strong competitive advantage to the country’s textile exporters relative to key global peers.
- ✓ The sector has also witnessed increasing outsourcing over the years as Indian players moved up the value chain from being mere converters to vendor partners of global retail giants.
- ✓ The strong performance of textile exports is reflected in the value of exports from the sector over the years. Textile exports witnessed a growth (CAGR) of 8.56 per cent over the period of FY06 to FY16.
- ✓ In the coming decades, Africa and Latin America could very well turn out to be key markets for Indian textiles.
- ✓ In April 2017, the government unveiled Textiles India 2017, its 1st ever global B2B handicrafts and textile event, in Delhi. The event showcased a 1000 stalls, and saw about 1,600 buyers from more than 100 countries. Around 1,300 exhibitors and 2,000 delegates had registered for the event and total participation, including domestic buyers, artisans and visitors, crossed 6,000. During the second day of the event, the Ministry of Textiles signed 65 MoUs.



(Source: www.ibef.org)

• ***Policy support has been a key ingredient to growth***

- ✓ Technology Upgradation Fund Scheme (TUFS)
  - Investment was made to promote modernisation and up-gradation of the textile industry by providing credit at reduced rates.
  - US\$0.23 billion has been allocated for ATUFS scheme for FY16-17, under Union Budget 2016-17.
  - In April 2017, StalkBuyLove, an online fashion brand, has raised US\$ 1 million venture debt from Trifecta Capital, to expand its team and strengthen the supply chain technology.
- ✓ National Textile Policy - 2000
  - Key areas of focus include technological upgrades, enhancement of productivity, product diversification and financing arrangements.
  - New draft for this policy ensures to employ 35 million by attracting foreign investments. It also focuses on establishing a modern apparel garment manufacturing centre in every North Eastern state for which Government has invested an amount of US\$ 3.27 million.
- ✓ Foreign Direct Investment
  - FDI of up to 100 per cent is allowed in the textile sector through the automatic route
- ✓ Scheme for Integrated Textiles Parks (SITP)
  - SITP was set up in 2005 to provide necessary infrastructure to new textile units; under SITP, 40 projects (worth US\$ 678 million) have been sanctioned.
  - Out of these 40 projects, 27 have started production. 16 projects has been completed in November 2014. Government has invested a total of US\$ 21.96 million for 21 new textile parks and the remaining 13 textile parks has been given the in-principle approval under SITP. In 2015, textile parks set up under the Scheme for Integrate Textile Park (SITP) attracted an investment of US\$ 4.58 billion.
- ✓ Technical textile industry
  - Government of India has planned an increase in the fund outlay for technical textiles industry to more than US\$ 117 million during the current 12th Five Year Plan (2012-17)

**Opportunities:-**

• **Immense growth potential**

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

• **Private sector participation in silk production**

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

• **Proposed FDI in multi-brand retail**

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

• **Retail sector offers growth potential**

- With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with several international players like Marks and Spencer, Guess and Next having entered Indian market.

- The organised apparel segment is expected to grow at a Compound Annual Growth Rate of more than 13 per cent over a 10-year period.
- India and Bangladesh plans to increase their cooperation in order to increase promote the investment and trade of jute and fabrics.
- Future Group plans to expand with 80 stores in order to reach the target sales of 80 million units. This would add to their portfolio of 300 stores spread across the country.

- **Centers of Excellence (CoE) for research and technical training**

- The CoEs are aimed at creating testing and evaluation facilities as well as developing resource centres and training facilities.
- Existing 4 CoEs, BTRA for Geotech, SITRA for Meditech, NITRA for Protech and SASMIRA for Agrotech, would be upgraded in terms of development of incubation centre and support for development of prototypes.
- Fund support would be provided for appointing experts to develop these facilities.

- **Foreign investments**

- The government is taking initiatives to attract foreign investments in the textile sector through promotional visits to countries such as Japan, Germany, Italy and France.
- According to the new Draft of the National Textile Policy, the government is planning to attract foreign investments thereby creating employment opportunities to 35 million people.
- FDI inflows in textiles sector, inclusive of dyed and printed textile, stood at US\$ 2.47 billion from April 2000 to March 2017.

**Threats:-**

- ***Rising competition among organised players***

The size of the Indian apparel market and its inherent long-term growth potential makes it extremely attractive to branded players across the world. With the Government allowing 100% Foreign Direct Investment (FDI) in retail, several foreign brands and fashion retailers continue to enter India thereby enhancing the fashion culture and raising fashion consciousness in the country. This would lead to great deal of competition among the organised players to grab the largest share of the pie.

- ***Low entry barriers***

The absence of significant entry barriers leads to an increase in the number of players, especially the unorganised players. This can escalate the degree of competition, making market penetration and sustaining of higher margins even tougher.

- ***Dependence on rainfall and climatic conditions***

Rainfall plays an important role in the apparel industry. Absence of adequate rainfall can lead to a significant decline in the availability of cotton, besides having an adverse impact on the economy, and consequently, the consumer demand. This can adversely impact the top line and margins. Shorter and less intense winters can also adversely impact sales of the woollen segment.

**Growth Prospects for Indian Textile and Apparel Industry**

***Expansion of Ready-to-Wear Market***

The market for readymade segment is rapidly expanding in India especially in menswear section. The preference of Indian consumers has also undergone a major shift as they just prefer to go out and buy rather than opting for stitching.

***Rising Urbanization***

Urbanization is a trend that everyone has to contend with. The urban population is set to increase up to 42% by 2030 according to census figures. This is due to the fact that people migrate to cities to look for better job opportunities and living standards. Therefore, organized retail is set to witness a major expansion to fulfill the needs of growing population.

### ***Demographic Structure***

India is home to 17% of the world's population. Being one of the youngest countries in the world, it is tipped to have one of the largest work forces for years to come. At 24 years, it has the lowest median age of population in the world, with 50% of the population less than 25 years and 70% less than 35 years of age. Indian T & C Industry envisages to reach US \$ 100 Billion by 2015 Also, as more and more women become part of the workforce, the demand for women wear including accessories is set for expansion.

### ***Growing prosperity***

India has the second largest working population with approx 700 million people between 20-60 years of age. In addition, corporate salaries have grown at 14% p.a. which is fastest globally. Also, the salaries for freshers have gone up by 2-3 times over the last decade. These all factors contribute to increasing disposable incomes in the hands of individuals. With a consumption rate of around 34%, the appetite for high value branded products is ever increasing.

### ***Changing Consumer Lifestyle and Preferences***

Indian consumer has become more demanding, as a result, there is a continuous shift in the demand pattern from basic necessities to spending on the lifestyle products and service, largely because of:

- Higher Income levels
- Increasing knowledge and awareness levels
- Higher adaptability to technology
- Greater participation of women and children in household decision making
- Increasing demand for better products and service experience



## SUMMARY OF OUR BUSINESS

*In this section “our Company” refers to the Company, while “we”, “us” and “our” refers to Lorenzini Apparels Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page 11 and "Industry Overview" on page 63.*

### Overview

We are engaged into the business of manufacturing, designing and marketing of readymade garments offering diverse range of men’s formal, semi-formal & casual wear and women’s casual wear. We serve our customers through the channels of retail and e-commerce. Our garment manufacturing process includes cutting, stitching, sewing, finishing, inspection and packing. We also outsource the garments manufacturing on job work basis from third party contractors from time to time and provides the technical specifications such as designs, pattern, quality, fabric etc. to them who, based on our specifications, procure the requisite raw materials at their own costs and begin the manufacturing process. The products delivered to us from third party contractors are completely finished and packaged to our warehouse/stores. However, we have not entered into Job work agreement.

Our Company has its registered office / manufacturing setup at New Delhi with a built-up area of approximately 4500 sq. ft. The products are sold under the brand name “Monteil & Munero” and “Monteil” “Calgari” through our exclusive stores/outlet located at several places of Delhi, Uttar Pradesh and Haryana. We have our own designers who develops new styles, fits, finishes to meet the latest fashion trends. In a season, the team works on over several designs, out of which a few are picked up to constitute the new season collection. Our Company’s core competency lies in our understanding of our customer’s buying preferences and behavior across the Indian market.

Our Company is led by our promoter Sandeep Jain, who entered into the readymade garment business of manufacturing under our brand in the year 2007. For further details of our promoters, please refer to the chapter titled “Our Management” on page 83 of this Prospectus.

As on the date of this Prospectus we have few stores/outlets spread across various places in Delhi, Uttar Pradesh and Haryana. We have entered into supply agreement with some of the e-commerce players. We also have franchise model wherein we enter into agreement with the franchisee with varied date of commencement to sell our products at their showroom as per the terms and conditions of respective Franchise agreement. We receive one -time interest free refundable security deposit from franchisee which is refundable on the termination of the agreement.

Our Company’s total revenues, as restated for the period/year ended July 31, 2017, March 31, 2017, March 31, 2016 and March 31, 2015 were Rs.663.14 Lakhs, Rs. 1,644.89 Lakhs, 1,210.80 Lakhs and Rs. 1,416.42 Lakhs respectively. Our Company’s restated net profit after tax for the period/year ended July 31, 2017, March 31, 2017, March 31, 2016 and March 31, 2015 were Rs. 27.60 Lakhs, Rs. 14.76 Lakhs, (3.01) Lakhs and Rs. 5.50 Lakhs respectively.

### Location

Our Registered office and Manufacturing Unit are located at i.e. TA 168 & 187 Ground Floor, Gali No. 2, Tuglakabad Extn, New Delhi-110019. We have few stores/outlets located in various places in Delhi, Uttar Pradesh and Haryana.

### Our Strength:

- *Designing Capabilities*
- *Experienced and Proven Management Team*
- *Quality check*

## **Our Strategy**

We intend to grow our business by implementing the following key strategies:

- *Strengthening our brands*
- *Our designing skills*
- *Continued focus on innovative designs*
- *Strengthening our presence through e-commerce platform*

## SUMMARY OF FINANCIAL STATEMENTS

### Summary statement of Assets and Liabilities as Restated

Annexure-I  
(Rs. In Lakhs)

Sr. No	Particulars	As at July 31, 2017	As at March 31,				
			2017	2016	2015	2014	2013
	<b>EQUITY AND LIABILITIES</b>						
<b>1)</b>	<b><u>Shareholders Funds</u></b>						
	a. Share Capital	566.89	228.29	1.00	1.00	1.00	1.00
	b. Reserves & Surplus	51.53	76.20	41.29	45.18	41.58	29.68
<b>2)</b>	<b><u>Share Application Money Pending Allotment</u></b>	-	-	-	-	4.00	-
<b>3)</b>	<b><u>Non-Current Liabilities</u></b>						
	(a) Long-Term Borrowings	79.66	81.65	104.53	94.15	10.99	34.14
	(b) Other Long Term Liabilities	156.50	106.00	62.00	42.00	96.00	120.00
<b>4)</b>	<b><u>Current Liabilities</u></b>						
	(a) Short-Term Borrowings	153.96	303.37	77.50	125.84	31.28	53.05
	(b) Trade Payables	424.27	550.98	194.96	218.32	166.18	302.63
	(c) Other Current Liabilities	40.32	33.84	21.93	19.15	38.95	24.22
	(d) Short-Term Provisions	20.24	14.75	9.91	11.11	26.91	77.18
	<b>T O T A L</b>	<b>1,493.37</b>	<b>1,395.06</b>	<b>513.11</b>	<b>556.75</b>	<b>416.89</b>	<b>641.90</b>
	<b>ASSETS</b>						
<b>5)</b>	<b><u>Non-Current Assets</u></b>						
	(a) Fixed Assets						
	i. Tangible Assets	308.95	290.71	313.45	301.92	142.89	131.20
	ii. Intangible Asset	0.53	0.53	0.53	0.53	0.53	0.53
	Less: Accumulated Depreciation	125.79	118.37	131.98	112.77	81.33	60.70
	<b>Net Block</b>	<b>183.68</b>	<b>172.87</b>	<b>182.00</b>	<b>189.68</b>	<b>62.09</b>	<b>71.03</b>
	(b) Non-Current Investments	-	-	-	-	-	-
	(c) Deferred Tax Assets (Net)	17.08	16.08	12.88	9.93	4.26	3.73
	(d) Long Term Loans And Advances	30.31	24.25	68.14	19.88	35.71	51.66
<b>6)</b>	<b><u>Current Assets</u></b>						
	(a) Inventories	880.09	493.52	156.56	114.24	155.76	362.73
	(b) Trade receivables	312.76	275.62	34.61	69.35	67.72	32.29
	(c) Cash and Cash Equivalents	1.89	12.28	52.90	48.75	21.19	90.15
	(d) Short-Term Loans And Advances	64.43	1.41	3.52	102.88	66.92	25.63
	(e) Other Current Assets	3.14	399.03	2.51	2.05	3.24	4.67
	<b>T O T A L</b>	<b>1,493.37</b>	<b>1,395.06</b>	<b>513.11</b>	<b>556.75</b>	<b>416.89</b>	<b>641.90</b>

Summary statement of Profit and Loss as Restated

Annexure-II  
(Rs. In Lakhs)

Sr. No	Particulars	As at July 31, 2017	As at March 31,				
			2017	2016	2015	2014	2013
<b>A</b>	<b>INCOME</b>						
	Revenue From Operations	662.57	1,643.64	1,208.20	1,412.21	1,159.71	1,316.04
	Other Income	0.57	1.25	2.60	4.21	0.001	0.08
	<b>TOTAL INCOME(A)</b>	<b>663.14</b>	<b>1,644.89</b>	<b>1,210.80</b>	<b>1,416.42</b>	<b>1,159.71</b>	<b>1,316.12</b>
<b>B</b>	<b>EXPENDITURE</b>						
	Purchase of Stock-in-trade	834.29	1,325.69	686.71	728.10	352.73	666.36
	Change of Stock-in-trade	(386.57)	(336.96)	(42.31)	41.52	206.97	(79.11)
	Employment Benefit Cost	31.03	117.99	138.91	108.56	85.40	80.82
	Finance Cost	11.36	42.52	33.46	19.60	23.02	19.44
	Other Expenses	127.64	451.42	376.90	484.97	458.82	604.07
	Depreciation	7.43	21.86	22.51	29.54	20.63	21.38
	<b>TOTAL EXPENSES(B)</b>	<b>625.18</b>	<b>1,622.52</b>	<b>1,216.17</b>	<b>1,412.28</b>	<b>1,147.57</b>	<b>1,312.95</b>
<b>C</b>	<b>Profit before exceptional, extraordinary items and tax</b>	<b>37.96</b>	<b>22.37</b>	<b>(5.37)</b>	<b>4.14</b>	<b>12.14</b>	<b>3.17</b>
<b>D</b>	Less: Exceptional items	-	-	-	-	-	-
<b>E</b>	<b>Profit before extraordinary items and tax (C-D)</b>	<b>37.96</b>	<b>22.37</b>	<b>(5.37)</b>	<b>4.14</b>	<b>12.14</b>	<b>3.17</b>
<b>F</b>	Extraordinary items	-	-	-	-	-	-
<b>G</b>	Prior period items (Net)	-	-	1.17	-	-	-
<b>H</b>	<b>Profit before Tax</b>	<b>37.96</b>	<b>22.37</b>	<b>(4.20)</b>	<b>4.14</b>	<b>12.14</b>	<b>3.17</b>
	<i>Tax expense:</i>						
	1) Income Tax Provision						
	Current Tax	11.36	10.80	1.76	5.92	0.76	9.48
	MAT Payable	-	-	-	-	1.62	-
	MAT Credit	-	-	-	-	(1.62)	-
	MAT Credit utilized	-	-	-	(1.62)	-	-
	2) Deferred Tax	(1.00)	(3.20)	(2.96)	(5.66)	(0.53)	(1.59)
<b>I</b>	<b>Total Tax Expense</b>	<b>10.36</b>	<b>7.60</b>	<b>(1.20)</b>	<b>(1.36)</b>	<b>0.23</b>	<b>7.89</b>
<b>J</b>	<b>Profit for the Year (H-I)</b>	<b>27.60</b>	<b>14.76</b>	<b>(3.01)</b>	<b>5.50</b>	<b>11.91</b>	<b>(4.72)</b>

Summary statement of Cash Flow as Restated

Annexure-III  
(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Cash Flow From Operating Activities:</b>						
Net Profit before tax as per Profit And Loss A/c	37.96	22.37	(4.20)	4.14	12.14	3.17
<b>Adjustments for:</b>						
Depreciation & Amortisation Expense	7.43	21.86	22.51	29.54	20.63	21.38
Finance Cost	11.36	42.52	33.46	19.60	23.02	19.44
Interest Income	-	-	-	(4.21)	-	-
<b>Operating Profit Before Working Capital Changes</b>	<b>56.75</b>	<b>86.75</b>	<b>51.77</b>	<b>49.06</b>	<b>55.79</b>	<b>43.99</b>
Adjusted for (Increase)/ Decrease in:						
Short term provision	5.49	4.84	(1.20)	(15.81)	(50.26)	5.10
Trade Receivables	(37.15)	(241.01)	34.74	(1.62)	(35.43)	(7.30)
Loans & Advances	(63.01)	2.10	99.37	(35.97)	(41.28)	20.48
Inventories	(386.57)	(336.96)	(42.31)	41.52	206.97	(79.11)
Other current assets	395.89	(396.52)	(0.46)	1.19	1.43	-
Trade Payables	(126.71)	356.02	(23.36)	52.14	(136.45)	108.65
Other Current Liabilities	6.48	11.90	2.78	(19.80)	14.73	16.36
<b>Cash Generated From Operations</b>	<b>(148.82)</b>	<b>(512.87)</b>	<b>121.31</b>	<b>70.71</b>	<b>15.49</b>	<b>108.16</b>
Appropriation of Profit	-	-	(0.89)	(1.90)	-	-
Net Income Tax paid/ refunded	(11.36)	(10.80)	(1.76)	(4.30)	(0.76)	(9.48)
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>(160.18)</b>	<b>(523.67)</b>	<b>118.67</b>	<b>64.51</b>	<b>14.73</b>	<b>98.68</b>
<b>Cash Flow From Investing Activities:</b>						
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	(18.24)	(12.73)	(14.83)	(157.13)	(11.69)	(19.87)
Interest on FD	-	-	-	4.21	-	-
Capital work in process	-	-	-	-	-	-
Net (Increase)/Decrease in Long Term Loans & Advances	(6.06)	43.89	(48.26)	15.83	15.95	23.57
Net (Increase)/Decrease in other Non-current assets	-	-	-	-	-	-
Proceeds From Sale or Purchase OF Investments	-	-	-	-	-	-
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(24.29)</b>	<b>31.15</b>	<b>(63.08)</b>	<b>(137.09)</b>	<b>4.26</b>	<b>3.70</b>
<b>Cash Flow from Financing Activities:</b>						
Proceeds From issue of Share Capital	286.33	247.43	-	-	-	-
Net Increase/(Decrease) in Long Term Borrowings	(1.99)	(22.88)	10.37	83.16	(23.15)	9.34

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Net Increase/(Decrease) in Short Term Borrowings	(149.41)	225.87	(48.34)	94.57	(21.78)	-
Net Increase/(Decrease) in Other Long Term Liabilities	50.50	44.00	20.00	(54.00)	(24.00)	(6.75)
Net Increase/(Decrease) in Other Share Application Money	-	-	-	(4.00)	4.00	-
Finance Cost	(11.36)	(42.52)	(33.46)	(19.60)	(23.02)	(19.44)
<b>Net Cash Flow from/(used in) Financing Activities ( C)</b>	<b>174.08</b>	<b>451.90</b>	<b>(51.43)</b>	<b>100.13</b>	<b>(87.95)</b>	<b>(16.85)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(10.40)</b>	<b>(40.61)</b>	<b>4.15</b>	<b>27.55</b>	<b>(68.96)</b>	<b>85.53</b>
<b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>12.28</b>	<b>52.90</b>	<b>48.75</b>	<b>21.19</b>	<b>90.15</b>	<b>4.63</b>
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>1.89</b>	<b>12.28</b>	<b>52.90</b>	<b>48.75</b>	<b>21.19</b>	<b>90.15</b>

## THE ISSUE

Following table summarises the present Issue in terms of this Prospectus

Particulars	Details of Equity Shares
<b>Issue of Equity Shares by our Company<sup>#</sup></b>	Issue of 44,70,000 Equity Shares having face value of Rs. 10.00 each at a price of Rs. 10.00 per Equity Share aggregating Rs.447.00 lakhs
<i>Of which:</i>	
<b>Market Maker Reservation Portion</b>	Issue of 2,30,000 Equity Shares having face value of Rs.10.00 each at a price of Rs.10.00 per Equity Share aggregating Rs.23.00 lakhs
<b>Net Issue to the Public*</b>	Issue of 42,40,000 Equity Shares having face value of Rs.10.00 each at a price of Rs.10.00 per Equity Share aggregating Rs.424.00 lakhs
	<i>Of which:</i>
	21,20,000 Equity Shares having face value of Rs.10.00 each at a price of Rs.10.00 per Equity Share aggregating Rs.212.00 lakhs will be available for allocation to Retail Individual Investors
	21,20,000 Equity Shares having face value of Rs.10.00 each at a price of Rs.10.00 per Equity Share aggregating Rs. 212.00 lakhs will be available for allocation to other than Retail Individual Investors
<b>Pre and Post Issue Share Capital of our Company</b>	
<b>Equity Shares outstanding prior to the Issue</b>	56,68,916 Equity Shares
<b>Equity Shares outstanding after the Issue</b>	1,01,38,916 Equity Shares
<b>Objects of the Issue</b>	Please refer chapter “ <i>Objects of the Issue</i> ” on page 54 of this Prospectus.

<sup>#</sup>Public issue of 44,70,000 Equity Shares of Rs.10.00 each for cash at a price of Rs.10.00 per Equity Share of our Company aggregating to Rs.447.00 lakhs is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to section ‘Terms of the Issue’ on page 157 of this Prospectus.

The Issue has been authorised by our Board pursuant to a resolution dated January 16, 2018 and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on January 17, 2018.

\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price offer the allocation in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
  - (i) Individual applicants other than retail individual investors; and
  - (ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

## GENERAL INFORMATION

Our Company was originally incorporated as Lorenzini Apparels Private Limited at National Capital Territory of Delhi and Haryana as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 09, 2007 bearing registration number 163192 issued by Assistant Registrar of Companies, Delhi. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on March 15, 2017 and fresh certificate of incorporation consequently upon change of name was issued by Assistant Registrar of Companies, Delhi dated March 30, 2017 and name of our Company was changed to Lorenzini Apparels Limited. The Corporate Identification Number is U17120DL2007PLC163192.

<b>Registration Number</b>	163192
<b>Corporate Identification Number</b>	U17120DL2007PLC163192
<b>Address of Registered office of Companies</b>	TA 168 & 187 Ground Floor, Gali No. 2, Tuglakabad Extn, New Delhi-110019, India. <b>Tel:</b> +91-011-40504731; <b>E-mail:</b> <a href="mailto:info@monteil.co.in">info@monteil.co.in</a> <b>Website:</b> <a href="http://www.mymonteil.com">www.mymonteil.com</a>
<b>Address of Registrar of Companies</b>	4 <sup>th</sup> Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019 <b>Tel:</b> +91-011-26235703, 26235708 <b>Fax:</b> +91-011-26235702 <b>Email:</b> <a href="mailto:roc.delhi@mca.gov.in">roc.delhi@mca.gov.in</a> <b>Website:</b> <a href="http://www.mca.gov.in">www.mca.gov.in</a>
<b>Designated Stock Exchange</b>	BSE Limited
<b>Listing of Shares offered in this Issue</b>	SME Platform of BSE
<b>Contact Person:</b>	Laveena Jain Company Secretary & Compliance Officer TA 168 & 187 Ground Floor, Gali No. 2, Tuglakabad Extn, New Delhi-110019, India. <b>Tel:</b> +91-011-40504731; <b>E-mail:</b> <a href="mailto:cs@mymonteil.com">cs@mymonteil.com</a> <b>Website:</b> <a href="http://www.mymonteil.com">www.mymonteil.com</a>

For details in relation to the changes to the name of our Company, please refer to the section titled “*History and Certain Other Corporate Matters*” beginning on page 80 of this Prospectus.

### Our Board of Directors

Details regarding our Board of Directors as on the date of this Prospectus are set forth in the table hereunder:

Sr. No.	Name and Designation	DIN	Address
1.	<b>Sandeep Jain</b> <i>Managing Director</i>	02365790	B-501, Omaxe Forest Spa Sector-93B, Gautam Buddha Nagar, Uttar Pradesh- 201304, India.
2.	<b>Deepika Jain</b> <i>Whole-time Director</i>	02365797	B-501, Omaxe Forest Spa Sector-93B, Gautam Buddha Nagar Uttar Pradesh- 201304, India.
3.	<b>Rajit Sehgal</b> <i>Non-Executive Director</i>	05281112	C-21, F.F. Ardee City Sector-52 Gurgaon, Haryana-122002, India.
4.	<b>Pardeep Singh</b> <i>Independent Director</i>	03065859	Bhawani Enclave Basal Farrukhnagar, Gurgaon, Haryana -122006, India.
5.	<b>Mohinder Rustagi</b> <i>Independent Director</i>	07762470	House No-412, Urban Estate Sector-4, Gurgaon, Haryana-122001, India

For detailed profile of our Managing Director, Whole-Time Director and other Directors, refer “*Our Management*” and “*Our Promoters and Promoter Group*” on page 83 and 94 respectively of this Prospectus.

### Company Secretary and Compliance Officer

Our Company has appointed Laveena Jain, the Company Secretary of our Company, as the Compliance Officer, whose contact details are set forth hereunder.



**Laveena Jain**

TA 168 &amp; 187 Ground Floor, Gali No. 2, Tuglakabad Extn,

New Delhi-110019, India.

**Tel:** +91-011-40504731;**E-mail:** [cs@mymonteil.com](mailto:cs@mymonteil.com)**Website:** [www.mymonteil.com](http://www.mymonteil.com)**Chief Financial Officer**

Our Company has appointed Deepika Jain, as the Chief Financial Officer. Her contact details are set forth hereunder:

**Deepika Jain**

TA 168 &amp; 187, Ground Floor, Gali No. 2, Tuglakabad Extn,

New Delhi-110019, India.

**Tel:** +91-011-40504731;**E-mail:** [deepika.jain@monteil.co.in](mailto:deepika.jain@monteil.co.in)**Website:** [www.mymonteil.com](http://www.mymonteil.com)**Details of Key Intermediaries pertaining to this Issue of our Company:**

<b>Lead Manager of the Issue</b>	<b>Registrar to the Issue</b>
<b>Fedex Securities Limited</b> 305, Enterprise Centre, Nehru Road, Vile Parle (East), Mumbai – 400099, Maharashtra, India <b>Tel No:</b> 022 26117553/ 26178936 <b>Fax:</b> 022 26186966 <b>Email:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a> <b>Contact Person:</b> Rinkesh Saraiya <b>SEBI Registration No.:</b> <a href="https://www.sebi.gov.in/registration/INM000010163">INM000010163</a>	<b>Skyline Financial Services Private Limited</b> 4A9, Gundecha Onclave, Kherani Road, Sakinaka, Mumbai-400 072 <b>Tel:</b> +91-022- 28511022/62215779 <b>E-mail:</b> <a href="mailto:virenr@skylinerta.com">virenr@skylinerta.com</a> <b>Investor Grievance Email:</b> <a href="mailto:grievances@skylinerta.com">grievances@skylinerta.com</a> <b>Website:</b> <a href="http://www.skylinerta.com">www.skylinerta.com</a> <b>Contact Person:</b> Subhash Dhingreja <b>SEBI Regn. No.:</b> INR000003241
<b>Bankers to the Company</b>	
<b>Syndicate Bank</b> C-4/19 Ankur Complex Acharya Niketan, Mayur Vihar Phase-I, Delhi- 110091 <b>Tel:</b> +91-9868309090 <b>Email:</b> <a href="mailto:Br.9090@syndicatebank.co.in">Br.9090@syndicatebank.co.in</a> <b>Contact Person:</b> Manju Kumari <b>Website:</b> <a href="http://www.syndicatebank.co.in">www.syndicatebank.co.in</a>	<b>IDBI Bank Limited</b> P-6 Ocean Complex, Ground Floor, Sector-18, Noida- 201301, Uttar Pradesh <b>Tel:</b> +91-120-2517812/14/15 <b>Email:</b> <a href="mailto:IBKL0000109@idbi.co.in">IBKL0000109@idbi.co.in</a> <b>Contact Person:</b> Avnish Kumar Sidhu / Deepti Bajpai <b>Website:</b> <a href="http://www.idbibank.com">www.idbibank.com</a>
<b>ICICI Bank Limited</b> D-1, Alkananda shopping complex, New Delhi- 110019 <b>Tel:</b> +91-011-41018037 <b>Contact Person:</b> Varun Jain <b>Website:</b> <a href="http://www.icicibank.com">www.icicibank.com</a>	<b>Axis Bank Limited</b> M-61, Kalkaji, New Delhi- 110019 <b>Tel:</b> +91-011-26451099 <b>Email:</b> <a href="mailto:kalkaji.branchhead@axisbank.com">kalkaji.branchhead@axisbank.com</a> <b>Contact Person:</b> Nidhi Sahni <b>Website:</b> <a href="http://www.axisbank.com">www.axisbank.com</a>
<b>Statutory Auditor of the Company</b>	<b>Peer Review Auditor</b>
<b>M/s. S C Verma &amp; Associates</b> Chartered Accountants A-3/183, Paschim Vihar, New Delhi- 110063 <b>Tel No.:</b> +91-011-43541594/95 <b>Email:</b> <a href="mailto:spgfca@gmail.com">spgfca@gmail.com</a> <b>Contact Person:</b> CA S.P. Gupta <b>Membership No.-</b> 085568 <b>Firm Registration No.:</b> 04180N	<b>M/s. PKJ &amp; Co.</b> Chartered Accountants 002, Gulmohar Complex, Opp. Anupam Cinema Station Road, Goregaon East-400063 <b>Tel No.:</b> +91-8879446599 <b>E-mail:</b> <a href="mailto:rishabh@pkjca.com">rishabh@pkjca.com</a> <b>Contact Person:</b> CA Rishabh Jain <b>Membership Number:</b> 176309 <b>Firm Registration No.-</b> 124115W
<b>Legal Advisor to the Issue</b>	<b>Banker to the Issue</b>
<b>Dhruv Mishra</b> Flat No. J-407, R G Residency, Sector-120, Noida <b>Tel No.:</b> +919958221103	<b>ICICI Bank Ltd.</b> Capital Market Division, 1 <sup>st</sup> Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai-400020 <b>Tel No.:</b> +91-22-66818923/924/932

<b>Fax No.:</b> Not Available <b>Email:</b> <a href="mailto:dhruvmishra.mishra@gmail.com">dhruvmishra.mishra@gmail.com</a> <b>Contact Person:</b> Dhruv Mishra	<b>Fax No.:</b> +91-22-22611138 <b>Email:</b> <a href="mailto:shweta.surana@icicibank.com">shweta.surana@icicibank.com</a> <b>Contact Person:</b> Shweta Surana <b>Website:</b> <a href="http://www.icicibank.com">www.icicibank.com</a> <b>SEBI Registration No.:</b> INBI00000004
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**Applicants can contact the Compliance Officer or the Lead Manager or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Lead Manager, who shall respond to the same.**

Applicants may contact the Lead Manager for complaints, information or clarifications pertaining to the Issue.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

#### **Self Certified Syndicate Banks (SCSB's)**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details of the Designated Branches which shall collect Application Forms, please refer to the above-mentioned link.

#### **Registered Brokers**

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centres, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone numbers, are available at the website of the BSE at [www.bseindia.com](http://www.bseindia.com), respectively, as updated from time to time.

#### **Registrar and Share Transfer Agents**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=7>, as updated from time to time.

#### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=7>, as updated from time to time.

#### **Inter-Se Allocation of Responsibilities**

Since Fedex Securities Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities amongst Lead Manager is not required.

#### **Credit Rating**

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

#### **IPO Grading**

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

## Brokers to the Issue

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

## Expert Opinion

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

Our Company has received written consent from the Peer Reviewed Auditor namely, M/s. PKJ and Co, Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports of the Peer Reviewed Auditor on the Restated Financial Statements, dated January 18, 2018 and the statement of possible special tax benefits dated January 18, 2018 included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

## Debenture Trustees

This is an issue of equity shares hence appointment of debenture trustee is not required.

## Appraisal and Monitoring Agency

The objects of the Issue have not been appraised by any agency.

The Objects of the Issue and means of finance, therefore, are based on internal estimates of our Company. In terms of Regulation 16 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of Rs.10,000 lakhs.

## Underwriting Agreement

This Issue is 100% Underwritten. The Underwriting agreement is dated January 17, 2018. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions specified therein.

The Underwriter has indicated its intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of shares underwritten*	Amount Underwritten (Rs. in lakhs)	% of the Total Issue Size Underwritten
<b>Fedex Securities Limited</b> 305, Enterprise Centre, Nehru Road, Vile Parle (East), Mumbai – 400099, Maharashtra, India <b>Tel No:</b> 022 26117553 / 26178936 <b>Fax No:</b> 022 26186966 <b>Contact Person:</b> Uday Nair <b>Email:-</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>Website -</b> <a href="http://www.fedsec.in">www.fedsec.in</a> <b>Investor Grievance Email -</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>SEBI Registration Number:</b> INM000010163	44,70,000	447.00	100.00

\*Includes 2,30,000 Equity shares of Rs.10.00 each for cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended.

In the opinion of our Board of Directors, the resources of the above mentioned Underwriter are sufficient to enable them to discharge the underwriting obligations in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

## Details of the Market Making Arrangement for this Issue

Our Company has entered into Market Making Agreement dated January 17, 2018, with the Lead Manager and Market Maker, duly registered with BSE to fulfil the obligations of Market Making:

The details of Market Maker are set forth below:

<b>Name</b>	<b>Nikunj Stock Brokers Limited</b>
<b>Corporate Office Address</b>	A-92, Ground Floor, Left Portion, Kamla Nagar, Delhi-110007
<b>Tel no.</b>	+91-47030 015/16
<b>Fax no.</b>	+91-23845102
<b>Email</b>	pramodsultania@nikunjonline.com
<b>Website</b>	<a href="http://www.nikunjonline.com">www.nikunjonline.com</a>
<b>Contact Person</b>	Pramod Kumar Sultania
<b>SEBI Registration No.</b>	INB 230691333

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:

- 1) The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
- 2) The minimum depth of the quote shall be Rs.1,00,000. However, the investors with holdings of value less than Rs.1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% (including the 5% of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
- 4) There shall be no exemption/threshold on downside. However, in the event the market maker exhausts its inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
- 5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by them.
- 6) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 7) The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and Market Maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
- 8) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 9) The Market Maker shall have the right to terminate said arrangement by giving a three month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker.

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

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

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

- 12) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the issue size and as follows:

	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)</b>
Up to Rs.20 Crores	25%	24%
Rs.20 to Rs.50 Crores	20%	19%
Rs.50 to Rs.80 Crores	15%	14%
Above Rs.80 Crores	12%	11%

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

## CAPITAL STRUCTURE

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

S. No.	Particulars	Amount (Rs. in lakhs)	
		Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorised Share Capital</b>		
	1,02,00,000 Equity Shares of Rs.10.00 each	1020.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	56,68,916 Equity Shares of Rs.10.00 each	566.89	-
<b>C.</b>	<b>Present Issue in terms of this Prospectus</b>		
	Issue of 44,70,000 Equity Shares of Rs. 10.00 each at a price of Rs. 10.00 per Equity Share	447.00	447.00
	<i>Which comprises:</i>		
	2,30,000 Equity Shares of Rs. 10.00 each at a price of Rs. 10.00 per Equity Share reserved as Market Maker portion	23.00	23.00
	Net Issue to the Public of 42,40,000 Equity Shares of Rs. 10.00 each at a price of Rs. 10.00 per Equity Share	424.00	424.00
	<i>Of which:</i>		
	21,20,000 Equity Shares of Rs. 10.00 each at a price of Rs. 10.00 per Equity Share will be available for allocation to Retail Individual Investors upto Rs. 2.00 Lakhs	212.00	212.00
	21,20,000 Equity Shares of Rs. 10.00 each at a price of Rs. 10.00 per Equity Share will be available for allocation to Other than Retail Individual Investors above Rs. 2.00 Lakhs	212.00	212.00
<b>D.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>		
	1,01,38,916 Equity Shares of Rs. 10.00 each	1013.89	1013.89
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		16.21
	After the Issue		16.21

The Issue has been authorised by our Board pursuant to a resolution dated January 16, 2018, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on January 17, 2018.

### Notes to the Capital Structure

#### 1. Details of increase in authorised Share Capital:

Since the incorporation of our Company, the authorised share capital of our Company has been altered in the manner set forth below:

Particulars of Change		Date of Shareholders' Meeting	AGM/ EGM
From	To		
10,000 Equity Shares of Rs.10 each		On incorporation	-
Rs. 1,00,000 consisting of 10,000 Equity Shares of Rs.10 each	Rs. 20,00,000 consisting of 2,00,000 Equity Shares of Rs.10 each	30/09/2008	AGM
Rs. 20,00,000 consisting of 2,00,000 Equity Shares of Rs.10 each	Rs. 3,20,00,000 consisting of 32,00,000 Equity Shares of Rs.10 each	22/02/2017	EGM
Rs. 3,20,00,000 consisting of 32,00,000 Equity Shares of Rs.10 each	Rs. 10,00,00,100 consisting of 1,00,00,010 Equity Shares of Rs.10 each	16/06/2017	EGM

Particulars of Change		Date of Shareholders' Meeting	AGM/EGM
From	To		
Rs. 10,00,00,100 consisting of 1,00,00,010 Equity Shares of Rs.10 each	Rs. 10,20,00,000 consisting of 1,02,00,000 Equity Shares of Rs.10 each	25/09/2017	EGM

## 2. History of Issued and Paid Up Share Capital of our Company

(a) The history of the equity share capital of our Company is set forth below:

Date of allotment	Number of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (Rs.)
On Incorporation	10,000	10	10	Cash	Subscription to MoA <sup>(i)</sup>	10,000	100,000
22/02/2017	4,40,000	10	Nil	Other than Cash	Bonus in the ratio of 44 Equity Shares for every 1 Equity Share <sup>(ii)</sup>	4,50,000	45,00,000
31/03/2017	1,769,000	10	13.50	Cash	Conversion of unsecured loan into equity shares <sup>(iii)</sup>	22,19,000	2,21,90,000
31/03/2017	63,850	10	13.50	Other than Cash	Conversion of outstanding salary into equity shares <sup>(iv)</sup>	22,82,850	2,28,28,500
16/06/2017	6,84,855	10	Nil	Other than Cash	Bonus in the ratio of 3 Equity Shares for every 10 Equity Share <sup>(v)</sup>	29,67,705	2,96,77,050
01/07/2017	9,05,660	10	10.60	Cash	Further Allotment <sup>(vi)</sup>	38,73,365	3,87,33,650
01/07/2017	17,95,551	10	10.60	Cash	Conversion of Unsecured loan into equity shares <sup>(vii)</sup>	56,68,916	5,66,89,160

(i) Initial Subscribers to the Memorandum of Association of our Company:

S.N.	Name	No. of Equity Shares
1.	Sandeep Jain	7,000
2.	Deepika Jain	3,000
<b>Total</b>		<b>10,000</b>

(ii) Bonus Issue of 4,40,000 Equity Shares in the ratio of 44:1:-

S.N.	Name	No. of Equity Shares
1.	Sandeep Jain	44,000
2.	Deepika Jain	3,96,000
<b>Total</b>		<b>4,40,000</b>

(iii) Allotment of 1,769,000 Equity Shares pursuant to Conversion of Unsecured loan to Equity:

S.N.	Name	No. of Equity Shares
1.	Sandeep Jain	17,69,000
<b>Total</b>		<b>17,69,000</b>

(iv) Allotment of 63,850 Equity Shares pursuant to Conversion of outstanding salary to Equity:

S.N.	Name	No. of Equity Shares
1.	Deepika Jain	63,850
<b>Total</b>		<b>63,850</b>

(v) **Bonus Issue of 6,84,855 Equity Shares in the ratio of 3:10:-**

S.N.	Name	No. of Equity Shares
1.	Sandeep Jain	5,44,050
2.	Deepika Jain	1,40,655
3.	Pooja Jain	30
4.	Parveen Jain	30
5.	Vijay Jain	30
6.	Mohan Chauhan	30
7.	Mohinder Rustagi	30
<b>Total</b>		<b>6,84,855</b>

(vi) **Further Allotment of 9,05,660 Equity Shares:**

S.N.	Name	No. of Equity Shares
1.	Sandeep Jain	905,660
<b>Total</b>		<b>905,660</b>

(vii) **Allotment of 17,95,551 Equity Shares pursuant to Conversion of Unsecured loan to Equity:**

S.N.	Name	No. of Equity Shares
1.	Sandeep Jain	17,95,551
<b>Total</b>		<b>17,95,551</b>

3. We have not issued any Equity Shares for consideration other than cash except as set forth below:

Date of allotment	No. of Equity Shares	Face value (Rs.)	Issue price (Rs.)	Consideration	Nature of allotment	Benefits Accrued to our Company
22/02/2017	4,40,000	10	-	Other than Cash	Bonus in the ratio of 44:1	Nil
31/03/2017	63,850	10	13.50	Other than Cash	Conversion of outstanding salary into equity shares	Nil
16/06/2017	6,84,855	10	-	Other than Cash	Bonus in the ratio of 3:10	Nil

For details of allottees of the above allotment, please see notes under the table titled "The history of the equity share capital of our Company" on page 45 of this Prospectus.

4. No Equity Shares have been allotted pursuant to any scheme approved under Sections 391-394 of the Companies Act, 1956 or Section 230-233 of the Companies Act, 2013.

5. We have not revalued our assets since inception and have not issued any equity share (including bonus shares) by capitalizing any revaluation reserves.

6. **Issue of Shares in the preceding two years**

For details of issue of Shares by our Company in the preceding two years, see refer "Capital Structure" on page 44 of this Prospectus.

7. **Issue of Equity Shares in the last one year from the date of filing of this Prospectus**

Except for the following issue of Equity Shares, our Company has not issued any Equity Shares in the one year immediately preceding the date of this Prospectus at a price which is lower than the Issue Price.

Date of Allotment	Number of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of allotment	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
22/02/2017	4,40,000	10	-	Other than Cash	Bonus Issue	7.76	4.34
31/03/2017	63,850	10	13.50	Other than Cash	Conversion	1.13	0.63



Date of Allotment	Number of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of allotment	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
					of outstanding salary into equity shares		
16/06/2017	6,84,855	10	-	Other than Cash	Bonus Issue	12.08	6.75

#### 8. Build Up of our Promoters' Shareholding, Promoters' Contribution and Lock-In

As on the date of this Prospectus, our Promoters hold 56,68,266 Equity Shares, constituting 99.99% of the pre-issued, subscribed and paid-up Equity Share capital of our Company.

##### (a) Build-up of our Promoters' shareholding in our Company

Date of Allotment/ Transfer	Consideration	Nature of Issue	No of Equity Shares	Face Value	Issue Price/Acquisition Price/Transfer Prices	% Pre-Issue paid up capital	% Post issue paid up capital
<b>Sandeep Jain</b>							
09/05/2007	Cash	Subscription to MOA	7,000	10	10		
20/08/2007	Cash	Transfer to Sanjeev Arora	(100)	10	10		
01/10/2008	Cash	Transfer to Vijay Kumar Jain	(100)	10	10		
		Transfer to Raman Sawhney	(100)	10	10		
		Transfer to Charanjeet Singh	(100)	10	10		
		Transfer to Vikas Arora	(100)	10	10		
31/05/2014	Cash	Transfer to Deepika Jain	(5500)	10	10		
22/02/2017	Other than Cash	Bonus Issue	44,000	10	-		
14/03/2017	Cash	Transfer to Parveen Jain	(100)	10	10		
		Transfer to Vijay Kumar Jain	(100)	10	10		
		Transfer to Pooja Jain	(100)	10	10		
		Transfer to Mohan Kumar Chauhan	(100)	10	10		
		Transfer to Mohinder Rustagi	(100)	10	10		
31/03/2017	Cash	Conversion of unsecured loan into equity shares	17,69,000	10	13.50		
16/06/2017	Other than Cash	Bonus Issue	5,44,050	10	-		
01/07/2017	Cash	Further Allotment	905,660	10	10.60		
01/07/2017	Cash	Conversion of unsecured loan into equity shares	1,795,551	10	10.60		
<b>Total</b>			<b>50,58,761</b>			<b>89.24</b>	<b>49.89</b>
<b>Deepika Jain</b>							
09/05/2007	Cash	Subscription to MOA	3,000	10	10		
31/05/2014	Cash	Acquired from Sandeep Jain	5,500	10	10		
13/03/2015	Cash	Acquired from Sanjeev Arora	100	10	10		

Date of Allotment/ Transfer	Consideration	Nature of Issue	No of Equity Shares	Face Value	Issue Price/Acquisition Price/Transfer Prices	% Pre-Issue paid up capital	% Post issue paid up capital
		Acquired from Vijay Kumar Jain	100	10	10		
		Acquired from Raman Sawhney	100	10	10		
		Acquired from Charanjeet Singh	100	10	10		
		Acquired from Vikas Arora	100	10	10		
22/02/2017	Other than Cash	Bonus Issue	3,96,000	10	-		
31/03/2017	Other than Cash	Conversion of outstanding salary into equity shares	63,850	10	13.50		
16/06/2017	Other than Cash	Bonus Issue	1,40,655	10	-		
<b>Total</b>			<b>6,09,505</b>			<b>10.75</b>	<b>6.01</b>

Our Promoters have confirmed to the Company and the LM that the acquisition of the Equity Shares forming part of the Promoters' Contribution has been financed from personal funds/internal accruals and no loans or financial assistance from any banks or financial institution has been availed by for this purpose. All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. As on the date of this Prospectus, none of the Equity Shares held by our Promoters are pledged.

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

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

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20% of the post issue Equity Share capital of our Company as Promoters Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution from the date of filing of this Prospectus until the commencement of the lock-in period specified above. Details of the Equity Shares forming part of Promoters Contribution and proposed to be locked-in for a period of three years are as follows:

Date of Allotment	Nature of acquisition	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue price per Equity Share (in Rs.)	Nature of Consideration	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
<b>Sandeep Jain</b>							
01/07/2017	Conversion of unsecured loan into equity shares	1,795,551	10.00	10.60	Cash	31.67	17.71
01/07/2017	Further Allotment	2,40,000	10.00	10.60	Cash	4.23	2.37

For details on build-up of Equity Shares held by our Promoters, refer "*Build-up of our Promoters' shareholding in our Company*" at page 47 of this Prospectus.

The Equity Shares that are being locked-in are not, and will not be ineligible for computation of Promoters' Contribution under Regulation 33 of the SEBI (ICDR) Regulations. In this computation, as per Regulation 33 of the SEBI Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- (i) The Equity Shares acquired during the three years preceding the date of this Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) bonus shares issued out of revaluations reserves or unrealised profits or against equity shares which are otherwise ineligible for computation

of Promoters' Contribution;

- (ii) The Equity Shares acquired during the year preceding the date of this Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- (iii) Equity Shares issued to the Promoters upon conversion of a partnership firm; and
- (iv) Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.

Specific written consent has been obtained from the Promoters for inclusion of the Equity Shares for ensuring lock-in of three years to the extent of minimum 20% of post Issue paid-up Equity Share Capital from the date of allotment in the proposed public Issue.

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

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

(c) ***Equity Shares locked-in for one year***

Other than the Equity Shares held by our Promoters, which will be locked-in as minimum Promoters' contribution for three years, all pre-Issue Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

(d) ***Other requirements in respect of 'lock-in'***

Pursuant to Regulation 39 of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that (i) the pledge of shares is one of the terms of sanction of the loan and (ii) if the shares are locked-in as Promoter's contribution for three years under Regulation 36(a) of the SEBI (ICDR) Regulations, then in addition to the requirement in (i) above, such shares may be pledged only if the loan has been granted by the scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and among our Promoters and any member of the Promoter Group, or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Regulations, as applicable.

Further, pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters which are locked-in in accordance with Regulation 37 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares which are locked-in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Regulations, as applicable.

9. ***Our shareholding pattern***

Pursuant to Regulation 31 of the Listing Regulations, the holding of specified securities is divided into the following three categories:

- (a) Promoter and Promoter Group;
- (b) Public; and
- (c) Non-Promoter - Non Public.

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (XI)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2) (XI) = (VII) + (X)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held (b)	No.	As a % of total Shares held (b)	
								Class : Equity	Class : preference	Total								
(A)	Promoter & Promoter Group	3	56,68,396	--	--	56,68,396	99.99	56,68,396	--	56,68,396	99.99	--	--	--	--	56,68,396		
(B)	Public	4	520	-	-	520	0.01	520	-	520	0.01	-	-	-	-	-		
(C)	Non Promoter-Non Public	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--		
(C1)	Shares underlying DRs	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--		
(C2)	Shares held by Employee Trusts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--		
	<b>Total</b>	<b>7</b>	<b>56,68,916</b>	<b>--</b>	<b>--</b>	<b>56,68,916</b>	<b>100.00</b>	<b>56,68,916</b>	<b>-</b>	<b>56,68,916</b>	<b>100.00</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>56,68,396</b>		

Note: The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- Our Company will file the shareholding pattern of our Company in the form prescribed under Regulation 31 of SEBI (LODR) Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the website of BSE before commencement of trading of our Equity Shares.
- There are no Equity Shares against which depository receipts have been issued.
- Other than the Equity Shares, there is no other class of securities issued by our Company.

10. The shareholding pattern of our Company before and after the Issue is set forth below:

Sr. No.	Particulars	Pre Issue		Post Issue	
		No. of Shares	% Holding	No. of Shares	% Holding
a)	Promoters	56,68,266	99.99	56,68,266	55.91
b)	Promoter Group	130	Negligible	130	Negligible
c)	Public	520	0.01	44,70,520	44.09
	<b>Total</b>	<b>56,68,916</b>	<b>100.00</b>	<b>1,01,38,916</b>	<b>100.00</b>

11. The shareholding pattern of our Promoters and Promoter Group before and after the Issue is set forth below:

Sr.	Particulars	Pre Issue		Post Issue	
		No. of Shares	% Holding	No. of Shares	% Holding
a)	<b>Promoters</b>				
	Sandeep Jain	50,58,761	89.24	50,58,761	49.89
	Deepika Jain	6,09,505	10.75	6,09,505	6.01
	<b>Total (A)</b>	<b>56,68,266</b>	<b>99.99</b>	<b>56,68,266</b>	<b>55.91</b>
b)	<b>Promoter Group</b>				
	Parveen Jain	130	Negligible	130	Negligible
	<b>Total (B)</b>	<b>130</b>	<b>Negligible</b>	<b>130</b>	<b>Negligible</b>
	<b>Total(A+B)</b>	<b>56,68,396</b>	<b>99.99</b>	<b>56,68,396</b>	<b>55.91</b>

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

Name of the Promoters	No. of Equity Shares held	Average cost of Acquisition (in Rs.)
Sandeep Jain	50,58,761	10.38
Deepika Jain	6,09,505	1.56

13. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as set forth below:

Name of the Director	No. of Equity Shares held	Pre-Issue % of Shareholding
Sandeep Jain	50,58,761	89.24
Deepika Jain	6,09,505	10.75
Rajit Sehgal	130	Negligible
Mohinder Rustagi	130	Negligible

14. Particulars of top ten shareholders and the number of Equity Shares held by them are set forth below:

(a) Particulars of the top ten shareholders as on the date of this Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	% of Pre-Issue Capital
1.	Sandeep Jain	50,58,761	89.24
2.	Deepika Jain	609,505	10.75
3.	Parveen Jain	130	Negligible
4.	Rajit Sehgal	130	Negligible
5.	Pooja Jain	130	Negligible
6.	Mohan Chauhan	130	Negligible
7.	Mohinder Rustagi	130	Negligible
	<b>Total</b>	<b>56,68,916</b>	<b>100.00</b>

(b) Particulars of top ten shareholders ten days prior to the date of this Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	% of Pre-Issue Capital
1.	Sandeep Jain	50,58,761	89.24
2.	Deepika Jain	6,09,505	10.75
3.	Parveen Jain	130	Negligible
4.	Rajit Sehgal	130	Negligible
5.	Pooja Jain	130	Negligible
6.	Mohan Chauhan	130	Negligible
7.	Mohinder Rustagi	130	Negligible
	<b>Total</b>	<b>56,68,916</b>	<b>100.00</b>

(c) Particulars of the shareholders two years prior to the date of this Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	% of Pre-Issue Capital
1.	Sandeep Jain	1,000	10.00
2.	Deepika Jain	9,000	90.00
	<b>Total</b>	<b>10,000</b>	<b>100.00</b>

15. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves. Our Company has not issued any Equity Shares pursuant to any scheme approved under Sections 391-394 of the Companies Act, 1956 or 230-233 of the Companies Act, 2013.
16. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed Issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
17. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
18. There have been no purchase or sell of Equity Shares by the Promoters and Promoter Group, and our Directors during a period of six months preceding the date on which this Prospectus is filed with BSE.
19. No financing arrangements have been entered into by the members of the Promoter Group, the Directors, or their relatives for the purchase by any other person of the securities of our Company other than in the normal course of business of the financing entity during a period of six months preceding the date of filing of this Prospectus with the BSE.
20. Our Company, our Promoters, our Directors and the Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through this Prospectus.
21. There are no safety net arrangements for this public issue.
22. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for 3 years.

23. Under-subscription in the net Issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the BSE.
24. As on the date of filing of this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
25. All the Equity Shares of our Company are fully paid up as on the date of this Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
26. As per RBI regulations, OCBs are not allowed to participate in this Issue.
27. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
28. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
29. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
30. No payment, direct or indirect in the nature of discount, commission, allowances or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
31. We have 7 (Seven) Shareholders as on the date of this Prospectus.
32. Our Promoters and the members of our Promoter Group will not participate in this Issue.
33. Our Company has not made any public issue since its incorporation.
34. As on the date of this Prospectus, the Lead Manager and their respective associates (determined as per the definition of 'associate company' under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company.
35. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
36. For the details of transactions by our Company with our Promoter Group, Group Companies during the financial years ended March 31, 2013, 2014, 2015, 2016, 2017 and for the period ended July 31, 2017, please refer '*Financial Statements*' on page 101 of this Prospectus.

## OBJECTS OF THE ISSUE

The objects of the Issue are:

1. Funding of working capital requirements of the Company
2. Issue Expenses

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchange, enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

The main object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For the main object clause of our Memorandum of Association, please refer "History and Certain Other Corporate Matters" on page 80 of this Prospectus.

### Requirement of Funds

The following table summarises the requirement of the fund:

S. No.	Particulars	Amount (Rs. in Lakhs)
1.	Funding of working capital requirements of the Company	417.00
3.	Issue Expenses*	30.00
<b>Total</b>		<b>447.00</b>

\*As on the date of this Prospectus our Company has incurred Rs 7.20 Lakhs towards Issue Expenses.

The fund requirements mentioned above are based on internal management estimates of our Company and have not been verified by the lead manager or appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, cost of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the issue proceeds as stated above, our Company may re-allocate the issue proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the issue proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

### Means of Finance

We intend to entirely finance our objects from issue proceeds. In the event any additional payments are required to be made for financing our objects, it shall be made from our existing identifiable internal accruals.

Since the entire fund requirements are to be financed from the Bank sanction, Issue Proceeds and Internal accruals, the company has firm arrangements of finance under regulation 4(2)(g) of SEBI ICDR Regulations through banks sanction amounting to Rs. 235.89 lakhs towards 75% of the stated means of finance, excluding the amounts to be raised through the Issue.

### Details of the objects of the Issue

#### 1. Funding of working capital requirements of the Company

The working capital requirement for the Fiscal Year 2018 is estimated to be Rs. 1164.55 Lakhs which will be met through Issue Proceeds to the extent of Rs. 417.00 lakhs, and the balance portion will be met through internal accruals and banks.

The funding patterns of the requirement for the working capital are as explained below:

#### Basis of Estimation of Working Capital Requirements



Our Company's existing working capital requirements and funding on the basis of our restated financial statements as of March 31, 2017 and July 31, 2017 are set out in the table below:

(Rs. in Lacs)

Particulars	For the period ended July 31, 2017	For the period ended March 31, 2017
<b>Current Assets</b>		
Inventories	880.09	493.52
Trade Receivables	312.76	275.62
Cash and Cash Equivalents	1.89	12.28
Short Term Loans and Advances	64.43	1.41
Other Current Assets	3.14	399.03
<b>Total Current Assets(A)</b>	<b>1262.31</b>	<b>1181.86</b>
<b>Current Liabilities</b>		
Trade Payables	424.27	550.98
Other Current Liabilities	40.32	33.84
Short Term Provisions	20.24	14.75
<b>Total Current Liabilities(B)</b>	<b>484.83</b>	<b>599.57</b>
<b>Total Working Capital Requirement(A-B)</b>	<b>777.48</b>	<b>582.29</b>
<b>Funding Pattern</b>		
Working Capital funding from Banks/NBFC	164.27	136.36
Internal Accruals	613.21	445.93

The details of our Company's estimated working capital requirements as at March 31, 2018 and the funding of the same are as set out in the table below:-

(Rs. in Lacs)

Particulars	For the period ended March 31, 2018(Estimated)
<b>Current Assets</b>	
Inventories	489.97
Trade Receivables	936.65
Cash & Cash Equivalents	180.93
Short Term Loans and Advances	32.35
Other Current Assets	3.00
<b>Total Current Assets(A)</b>	<b>1642.90</b>
<b>Current Liabilities</b>	
Trade Payables	440.20
Other Current Liabilities	14.52
Short Term Provisions	23.63
<b>Total Current Liabilities(B)</b>	<b>478.35</b>
<b>Total Working Capital Requirement(A-B)</b>	<b>1164.55</b>
<b>Funding Pattern</b>	
Working Capital funding from Banks	142.65
Issue Proceeds	417.00
Internal Accruals	604.90

#### Assumption of Holding Levels

(No. of days)

Particulars	Holding Levels as of July 31, 2017	Holding Levels as of March 31, 2017	Holding Levels as of March 31, 2018 (Estimated)
<b>Current Assets</b>			
Inventories	120	120	120
Trade Receivables	90	90	90
<b>Current Liabilities</b>			
Trade Payables	100	100	100

#### Assumption for Working Capital requirements

Particular	Assumptions made and justification
<b>Current Assets</b>	
Inventories	Inventory days as per historic performance from restated audited financial statements adjusted for business plans in business.
Trade Receivables	Trade Receivable days as per historic performance from restated audited financial statements as adjusted for expected future performance and growth of business.
<b>Current Liabilities</b>	
Trade Payables	Trade payable days as per historic performance from restated audited financial statements as adjusted for expected future performance and expectations of demand from various payables due to vendors and suppliers of the company going forward.

## 2. Issue Related Expenses

The total expenses of the Issue are estimated to be approximately Rs. 30.00 lakhs. The expenses of this Issue include, among others, underwriting and Issue management fees, printing and stationery expenses, advertisement expenses and legal fees etc. The estimated Issue expenses are as follows:

Activity	Amount (Rs. in Lakhs)	Percentage of the total Issue expenses	Percentage of the total Issue size
Issue Management fees including, fees and reimbursement of underwriting fees, payment to legal advisor, peer review auditor	17.00	56.67	3.80
Regulatory and other fees	2.50	8.33	0.56
Other Expenses (printing, stationery expenses, postage, RTA fees, brokerage etc.)	10.50	35.00	2.35
<b>Total estimated Issue expenses</b>	<b>30.00</b>	<b>100.00</b>	<b>6.71</b>

### Proposed year-wise deployment of funds:

The Issue Proceeds are currently expected to be deployed in accordance with the schedule as stated below:  
(Rs.in Lakhs)

Particulars	Amount to be funded from the Issue Proceeds	Estimated Utilisation
		Financial Year 2018
Funding of working capital requirements of the Company	417.00	417.00
Issue Expenses	30.00	30.00
<b>Total</b>	<b>447.00</b>	<b>447.00</b>

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

The funds deployed up to December 26, 2017 pursuant to the object of this Issue as certified by the Auditor of our Company, viz. S C Verma & Associates, Chartered Accountants pursuant to their certificate dated December 26, 2017, is given below:

Deployment of Funds	Amount
Funding of working capital requirements of the Company	-
Issue Expenses	7.20
<b>Total</b>	<b>7.20</b>

Sources of Funds	Amount
Internal Accruals	7.20
<b>Total</b>	<b>7.20</b>

Note: The amount deployed so far toward issue expenses shall be recouped out of the issue proceeds.

### Bridge Financing

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

### **Appraisal by Appraising Agency**

None of the Objects have been appraised by any bank or financial institution or any other independent third party organisation. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. However the funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### **Shortfall of Funds**

Any shortfall in meeting the objects will be met by way of internal accruals.

### **Interim use of Funds**

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Issue proceeds. The proceeds of the Issue pending utilization for the purposes stated in this section shall be deposited only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the proceeds of the Issue for any investment in the equity markets.

### **Monitoring of Utilization of Funds**

There is no requirement for a monitoring agency as the Issue size is less than Rs.10,000 lakhs. Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a fiscal year, we will utilize such unutilized amount in the next fiscal year.

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

### **Variation in Objects**

In accordance with Section 27 of the Companies Act 2013, our Company shall not vary object of the Issue without our Company being authorized to do so by our shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules thereunder. As per the current provisions of the Companies Act, our Promoters or controlling shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner as prescribed by Securities and Exchange Board of India in this regard.

### **Other confirmations**

There is no material existing or anticipated transactions with our Promoters, our Directors, our Company's Key Managerial Personnel and Group Entities, in relation to the utilisation of the proceeds of the Issue. No part of the issue proceeds will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel or our Group Entities, except in the normal course of business and in compliance with the applicable laws.

## BASIC TERMS OF THE ISSUE

The Equity Shares, now being issued, are subject to the terms and conditions of this Prospectus, Application form, Confirmation of Allocation Note (CAN), the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, Stock Exchange, RBI, ROC and/or other authorities as in force on the date of the Issue and to the extent applicable. In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

This Issue has been authorized by the Board of Directors pursuant to a board resolution dated January 16, 2018 and by the shareholders of our Company pursuant to a special resolution dated January 17, 2018 passed at the EGM of shareholders under section 62 (1)(c) of the Companies Act, 2013.

<b>Face Value</b>	Equity Share shall have the face value of Rs.10.00 each.
<b>Issue Price</b>	Equity Share is being issued at a price of Rs. 10.00 each and is at 1.0 time of Face Value.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is 10,000 and the multiple of 10,000; subject to a minimum allotment of 10,000 Equity Shares to the successful applicants.
<b>Terms of Payment</b>	100% of the issue price of Rs. 10.00 each shall be payable on Application. For more details please refer " <i>Issue Procedure</i> " on page 164 of this Prospectus.
<b>Ranking of the Equity Shares</b>	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see " <i>Main Provisions of Articles of Association</i> " on page 205 of this Prospectus.

### Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond prescribed time after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

For further details, please refer to section titled "*Terms of the Issue*" beginning on page 157 of this Prospectus.

## BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is Rs.10/- and Issue Price is Rs.10/- per Equity Shares i.e. 1.00 times the face value.

Investors should read the following summary with the “*Risk Factors*” beginning from page 11 of this Prospectus, section titled “*Our Business*” beginning from page 69 and “*Financial Statements*” beginning from page 101 of this Prospectus. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

### Qualitative Factors

Some of the qualitative factors which may form the basis for computing the Issue Price include the following:

- Experienced and Proven Management Team
- Stringent quality check
- Designing Capabilities

For further details, refer “*Our Strength*” under chapter titled “*Our Business*” beginning from page 70 of this Prospectus.

### Quantitative Factors

Information presented in this section is derived from our Company’s restated financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as set forth below:

#### 1. Basic Earnings and Diluted Earnings Per Equity Share (EPS) as per Accounting Standard 20

Period	Basic and Diluted EPS (in Rs.)	Weight
March 31, 2015	54.97	1
March 31, 2016	(30.05)	2
March 31, 2017	3.28	3
<b>Weighted Average</b>	<b>0.79</b>	
For the period ended July 31, 2017	0.93	

*Note: The earnings per share has been calculated by dividing the net profit as restated, attributable to equity shareholders by restated weighted average number of Equity Shares outstanding during the period. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is Rs. 10/-.*

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

Particulars	P/E Ratio
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2016-17	3.05
P/E ratio based on the Weighted Average EPS, as restated	12.74
<b>Industry P/E*</b>	
Highest	40.13
Lowest	19.15
<b>Industry Composite</b>	<b>29.80</b>

\*The Industry high and low has been considered based on the financials from the Industry Peer Set consisting of Cantabil Retail India Ltd., Monte Carlo Fashions Ltd., Mandhana Retail Ventures Ltd. The Industry composite has been calculated as the arithmetic average P/E of the Industry peer set provided below. For further details, please see “Peer Group Comparison of Accounting Ratios” provided below.

#### 3. Return on Net Worth

Period	RONW (%)	Weight
March 31, 2015	11.90	1
March 31, 2016	(7.11)	2
March 31, 2017	4.85	3
<b>Weighted Average</b>	<b>2.04</b>	

Period	RONW (%)	Weight
For the period ended July 31, 2017	4.46	

*Note: The RONW has been computed by dividing net profit after tax (as restated), by Networth (as restated) as at the end of the year.*

4. **Minimum return on post Issue Net Worth to maintain the Pre-issue EPS for the year ended March 31, 2016 - 31.21%**

5. **Net Asset Value (NAV) per Equity Share**

S.N.	Particulars	(Rs.)
a)	As on March 31, 2017	13.34
b)	As on July 31, 2017	10.91
c)	After Issue	10.51
d)	Issue Price	10.00

*Note: NAV has been calculated as networth divided by number of Equity Shares at the end of the year.*

6. **Peer Group Comparison of Accounting Ratios:**

Particulars	EPS (Rs.)	PE Ratio	RONW (%)	NAV(Rs.)	Face Value
Lorenzini Apparels Ltd. <sup>(i)</sup>	3.28	3.05	4.85	13.34	10.00
<b>Peer Group <sup>(ii)</sup></b>					
Cantabil Retail India Ltd.	2.99	23.65	5.92	50.44	10.00
Monte Carlo Fashions Ltd.	19.47	24.80	8.66	224.79	10.00
Mandhana Retail Ventures Ltd.	9.07	15.81	23.93	37.88	10.00

*(i) The figures of Lorenzini Apparels Limited are based on restated financial statements for the fiscal ended March 31, 2017*

*(ii) Source: bseindia.com and Annual Report for the year ended March 31, 2017 and for calculating PE ratio market price as on 12.10.2017 is considered.*

7. The face value of our share is Rs.10/- per share and the Issue Price is of Rs.10/- per share are 1.0 times of the face value.

8. The Company in consultation with the Lead Manager believes that the Issue Price of Rs.10.00 per share for the Public Issue is justified in view of the above parameters. Investor should read the above mentioned information along with the section titled "Risk Factors" on page 11 of this Prospectus and the financials of our Company including important profitability and return ratios, as set out in the section titled "Financial Statements" on page 101 of this Prospectus.

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,  
The Board of Directors  
Lorenzini Apparels Limited  
TA 168 & 187 Ground Floor,  
Gali No. 2, Tuglakabad Extn  
New Delhi-110019

Dear Sir,

**Sub: Statement of possible special tax benefits (“the Statement”) available to Lorenzini Apparels Limited (“the Company”) and its shareholders prepared in accordance with the requirements in Schedule VIII- Clause (VII) (L) of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended (“the Regulations”)**

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (‘Act’) as amended by the Finance Act, 2017 (i.e. applicable to Financial Year 2016-17 relevant to Assessment Year 2017-18), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

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

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

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

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

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

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

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

**For PKJ and Co.**  
**Chartered Accountants**  
**Firm Registration no: 124115W**

**CA Rishabh Jain**  
**Partner**  
**Membership No. 176309**  
**January 18, 2018**

**ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2016-17.

**A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

The Company is not entitled to any special tax benefits under the Act.

**B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

The Shareholders of the Company are not entitled to any special tax benefits under the Act.



## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*The information in this section is derived from various publicly available sources, government publications and other industry sources.*

*Neither we nor 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 generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. Unless otherwise specified, references to years are to calendar years in this section.*

#### **Overview of the Indian Economy**

The Indian economy with a gross domestic product (“GDP”) at current prices in the year fiscal year 2017 is estimated at Rs. 151.84 lakh crore, showing a growth rate of 11.0 percent over the estimates of GDP for fiscal 2016 of Rs. 136.82 lakh crore (Source: Central Statistical Office of India’s Ministry of Statistics and Programme Implementation, available at ([http://mospi.nic.in/sites/default/files/press\\_release/PRESS\\_NOTE\\_PE\\_2016-17.pdf](http://mospi.nic.in/sites/default/files/press_release/PRESS_NOTE_PE_2016-17.pdf) as of May 31, 2017). It is one of the fastest growing major economies in the world with private final consumption contributing to over half of the overall GDP growth of 7.6% in 2015- 2016 (Source: RBI Annual Report 2015 – 2016).

#### **Textile and Apparel Industry**

India is the second-largest producer of textiles and garments in the world, with an enormous raw material and manufacturing base. The size of the Indian Textile & Clothing industry is estimated to be Rs. 8,540 billion in FY2015, which has grown at a CAGR of ~10% over the last decade. Domestic market accounts for ~73% of the total industry and export market accounts for the balance ~27%. The industry contributes ~14% to the domestic industrial production and ~4% to the country’s GDP; and is the second largest provider of employment in India, after agriculture. Apparel is the largest segment of the industry, comprising ~60% of the total industry size. While apparel accounts for ~65% of the total domestic market, its share in textile exports remained lower at ~45%. Hence, given the sizeable share in exports of textile intermediates, there is tremendous scope for increasing the share of apparels in textile exports to increase domestic value addition and attract investments in the apparel sector. The readymade garments market is estimated at \$45 billion, of which the domestic market is around \$27 billion, while exports stand at \$18 billion.

The Indian textile industry is expected to have positive growth in the current financial year on account of the following factors as discussed above:

- Good Monsoons.
- Passing of GST bill increasing the investor confidence resulting in increased Foreign investments.
- Acceptance of 7th Pay commission recommendations by the Central Government.

#### **Apparel Industry in India: -**

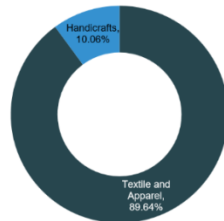
Indian textiles and apparels have a history of fine craftsmanship and global appeal. Cotton, silk and denim from India are highly popular abroad, and with the upsurge in Indian design talent, Indian apparel too has found success in the fashion centres of the world.

India is the world’s second-largest manufacturer and exporter of textiles and apparels, with a massive raw material and manufacturing base. The industry is a significant contributor to the economy, both in terms of its domestic share and exports. It contributes about 10 per cent to manufacturing production, 2 per cent to the GDP and 15 per cent to the country’s total exports earnings. The sector is the second largest employment provider in the country, employing about 51 million people directly and 68 million people indirectly in FY 2015-16. The apparel and garment sector provides employment to 12.3 million people as of 2016-17 and produces 3.6 million tonnes (MT) of apparel and garments. (Source: <https://www.ibef.org/exports/apparel-industry-india.aspx>).

#### **Readymade Garments and Cotton Textiles Dominate Exports:-**

- The domestic textile and apparel industry was the largest contributor to total textile and apparel exports from India in FY17. The segment had a share of 89.64 per cent. This segment includes readymade garments, jute, cotton, silk etc.
- The handicrafts segment accounted for 10.06 per cent of the total exports in FY17.

Share in India textile export (FY17)



(Source: www.ibef.org)

### Segments in Textile and Apparel Sector:-

The textile & apparel industry can be broadly divided into 2 segments:

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

### Advantage India:-

#### – Robust demand

- Increased penetration of organised retail, favorable demographics & rising income levels to drive textile demand.
- Growth in building & construction will continue to drive demand for non-clothing textiles.

#### – Increasing Investments

- Huge investments are being made by Government under Scheme for Integrated Textile Parks (SITP)- (USD184.98 million) & Technology Upgradation Fund Scheme (TUFS)-(term loan sanctioned in February, 2015-USD 2198.45 million) to encourage more private equity & to train workforce.

#### – Competitive Advantage

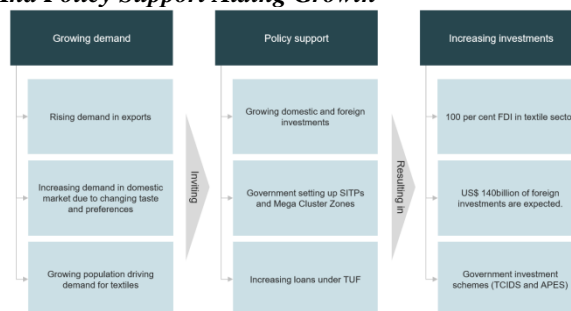
- Abundant availability of raw materials such as cotton, wool, silk and jute.
- India enjoys a comparative advantage in terms of skilled manpower & in cost of production relative to major textile producers.

#### – Policy Support

- 100 per cent FDI (automatic route) is allowed in the Indian textile sector.
- Under Union Budget 2016-17, the government has allocated USD7.43 million for setting up integrated parks in India.
- Free trade with ASEAN countries & proposed agreement with European Union will boost exports.

### Growth Drivers:-

- **Strong Fundamentals And Policy Support Aiding Growth**



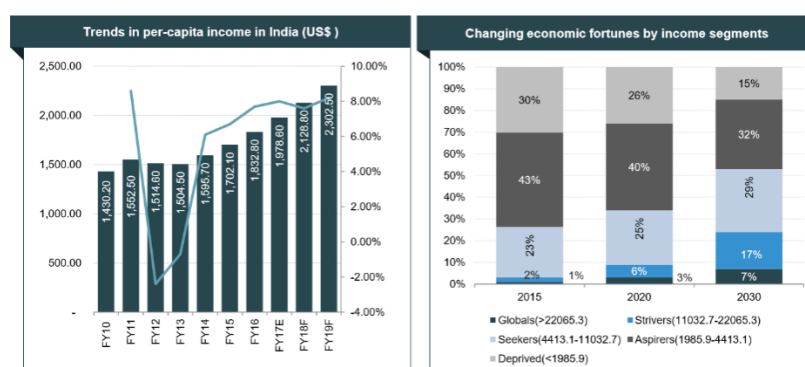
(Source: www.ibef.org)

- **Changing demographics has also contributed significantly to the sector**

- ✓ By 2014, India’s population had almost doubled compared to figures 30 years before.
- ✓ India’s growing population has been a key driver of textile consumption growth in the country.
- ✓ Moreover, according to World Bank, urban population accounts for 32.7 per cent of the total population of India. This also works as demand driver due to changing taste and preferences in the urban part of India.
- ✓ It has been complemented by a young population which is growing and at the same time is exposed to changing tastes and fashion.
- ✓ Complementing this factor is rising female workforce participation in the country.

- **Rising incomes and a growing middle-class have been key demand drivers**

- ✓ Rising incomes has been a key determinant of domestic demand for the sector; with incomes rising in the rural economy as well, the upward push on demand from the income side is set to continue.
- ✓ Rising industrial activity would support the growth in the per capita income.



(Source: www.ibef.org)

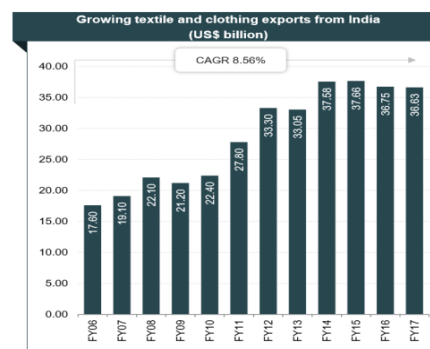
- **Exporters gaining from strong global demand**

- ✓ Capacity built over years has led to low cost of production per unit in India’s textile industry; this has lent a strong competitive advantage to the country’s textile exporters relative to key global peers.
- ✓ The sector has also witnessed increasing outsourcing over the years as Indian players moved up the value chain from being mere converters to vendor partners of global retail giants.
- ✓ The strong performance of textile exports is reflected in the value of exports from the sector over the years. Textile exports witnessed a growth (CAGR) of 8.56 per cent over the period of FY06 to FY16.
- ✓ In the coming decades, Africa and Latin America could very well turn out to be key markets for Indian textiles.
- ✓ In April 2017, the government unveiled Textiles India 2017, its 1st ever global B2B handicrafts and textile event, in Delhi. The event showcased a 1000 stalls, and saw about 1,600 buyers from more than 100 countries. Around 1,300 exhibitors and 2,000 delegates had registered for the event and total participation, including domestic buyers, artisans and visitors, crossed 6,000. During the second day of the event, the Ministry of Textiles signed 65 MoUs.

(Source: www.ibef.org)

- **Policy support has been a key ingredient to growth**

- ✓ Technology Upgradation Fund Scheme (TUFS)
  - Investment was made to promote modernisation and up-gradation of the textile industry by providing credit at reduced rates.
  - US\$0.23 billion has been allocated for ATUFS scheme for FY16-17, under Union Budget 2016-17.
  - In April 2017, StalkBuyLove, an online fashion brand, has raised US\$ 1 million venture debt from Trifecta Capital, to expand its team and strengthen the supply chain technology.
- ✓ National Textile Policy - 2000



- Key areas of focus include technological upgrades, enhancement of productivity, product diversification and financing arrangements.
- New draft for this policy ensures to employ 35 million by attracting foreign investments. It also focuses on establishing a modern apparel garment manufacturing centre in every North Eastern state for which Government has invested an amount of US\$ 3.27 million.

✓ Foreign Direct Investment

- FDI of up to 100 per cent is allowed in the textile sector through the automatic route

✓ Scheme for Integrated Textiles Parks (SITP)

- SITP was set up in 2005 to provide necessary infrastructure to new textile units; under SITP, 40 projects (worth US\$ 678 million) have been sanctioned.
- Out of these 40 projects, 27 have started production. 16 projects has been completed in November 2014. Government has invested a total of US\$ 21.96 million for 21 new textile parks and the remaining 13 textile parks has been given the in-principle approval under SITP. In 2015, textile parks set up under the Scheme for Integrate Textile Park (SITP) attracted an investment of US\$ 4.58 billion.

✓ Technical textile industry

- Government of India has planned an increase in the fund outlay for technical textiles industry to more than US\$ 117 million during the current 12th Five Year Plan (2012-17)

**Opportunities:-**

• **Immense growth potential**

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

• **Private sector participation in silk production**

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

• **Proposed FDI in multi-brand retail**

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

• **Retail sector offers growth potential**

- With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the

past decade with several international players like Marks and Spencer, Guess and Next having entered Indian market.

- The organised apparel segment is expected to grow at a Compound Annual Growth Rate of more than 13 per cent over a 10-year period.
- India and Bangladesh plans to increase their cooperation in order to increase promote the investment and trade of jute and fabrics.
- Future Group plans to expand with 80 stores in order to reach the target sales of 80 million units. This would add to their portfolio of 300 stores spread across the country.

- **Centers of Excellence (CoE) for research and technical training**

- The CoEs are aimed at creating testing and evaluation facilities as well as developing resource centres and training facilities.
- Existing 4 CoEs, BTRA for Geotech, SITRA for Meditech, NITRA for Protech and SASMIRA for Agrotech, would be upgraded in terms of development of incubation centre and support for development of prototypes.
- Fund support would be provided for appointing experts to develop these facilities.

- **Foreign investments**

- The government is taking initiatives to attract foreign investments in the textile sector through promotional visits to countries such as Japan, Germany, Italy and France.
- According to the new Draft of the National Textile Policy, the government is planning to attract foreign investments thereby creating employment opportunities to 35 million people.
- FDI inflows in textiles sector, inclusive of dyed and printed textile, stood at US\$ 2.47 billion from April 2000 to March 2017.

#### **Threats:-**

- ***Rising competition among organised players***

The size of the Indian apparel market and its inherent long-term growth potential makes it extremely attractive to branded players across the world. With the Government allowing 100% Foreign Direct Investment (FDI) in retail, several foreign brands and fashion retailers continue to enter India thereby enhancing the fashion culture and raising fashion consciousness in the country. This would lead to great deal of competition among the organised players to grab the largest share of the pie.

- ***Low entry barriers***

The absence of significant entry barriers leads to an increase in the number of players, especially the unorganised players. This can escalate the degree of competition, making market penetration and sustaining of higher margins even tougher.

- ***Dependence on rainfall and climatic conditions***

Rainfall plays an important role in the apparel industry. Absence of adequate rainfall can lead to a significant decline in the availability of cotton, besides having an adverse impact on the economy, and consequently, the consumer demand. This can adversely impact the top line and margins. Shorter and less intense winters can also adversely impact sales of the woollen segment.

#### **Growth Prospects for Indian Textile and Apparel Industry**

##### ***Expansion of Ready-to-Wear Market***

The market for readymade segment is rapidly expanding in India especially in menswear section. The preference of Indian consumers has also undergone a major shift as they just prefer to go out and buy rather than opting for stitching.

### ***Rising Urbanization***

Urbanization is a trend that everyone has to contend with. The urban population is set to increase up to 42% by 2030 according to census figures. This is due to the fact that people migrate to cities to look for better job opportunities and living standards. Therefore, organized retail is set to witness a major expansion to fulfill the needs of growing population.

### ***Demographic Structure***

India is home to 17% of the world's population. Being one of the youngest countries in the world, it is tipped to have one of the largest work forces for years to come. At 24 years, it has the lowest median age of population in the world, with 50% of the population less than 25 years and 70% less than 35 years of age. Indian T & C Industry envisages to reach US \$ 100 Billion by 2015 Also, as more and more women become part of the workforce, the demand for women wear including accessories is set for expansion.

### ***Growing prosperity***

India has the second largest working population with approx 700 million people between 20-60 years of age. In addition, corporate salaries have grown at 14% p.a. which is fastest globally. Also, the salaries for freshers have gone up by 2-3 times over the last decade. These all factors contribute to increasing disposable incomes in the hands of individuals. With a consumption rate of around 34%, the appetite for high value branded products is ever increasing.

### ***Changing Consumer Lifestyle and Preferences***

Indian consumer has become more demanding, as a result, there is a continuous shift in the demand pattern from basic necessities to spending on the lifestyle products and service, largely because of:

- Higher Income levels
- Increasing knowledge and awareness levels
- Higher adaptability to technology
- Greater participation of women and children in household decision making
- Increasing demand for better products and service experience

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, have forward-looking statements that involve risks and uncertainties. You should read the section titled “Forward-Looking Statements” on page 10, for a discussion of the risks and uncertainties related to those statements and also the section titled “Risk Factors” on page 11 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year.*

*In this section, a reference to the “Company” means Lorenzini Apparels Limited. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for financial year ended March 31, 2017, 2016, 2015, 2014, 2013 and for the period ended July 31, 2017 included in this Prospectus on page 101.*

### OVERVIEW

We are engaged into the business of manufacturing, designing and marketing of readymade garments offering diverse range of men’s formal, semi-formal & casual wear and women’s casual wear. We serve our customers through the channels of retail and e-commerce. Our garment manufacturing process includes cutting, stitching, sewing, finishing, inspection and packing. We also outsource the garments manufacturing on job work basis from third party contractors from time to time and provides the technical specifications such as designs, pattern, quality, fabric etc. to them who, based on our specifications, procure the requisite raw materials at their own costs and begin the manufacturing process. The products delivered to us from third party contractors are completely finished and packaged to our warehouse/stores. However, we have not entered into Job work agreement.

Our Company has its registered office / manufacturing setup at New Delhi with a built-up area of approximately 4500 sq. ft. The products are sold under the brand name “Monteil & Munero” and “Monteil” “Calgari” through our exclusive stores/outlet located at several places of Delhi, Uttar Pradesh and Haryana. We have our own designers who develops new styles, fits, finishes to meet the latest fashion trends. In a season, the team works on over several designs, out of which a few are picked up to constitute the new season collection. Our Company’s core competency lies in our understanding of our customer’s buying preferences and behavior across the Indian market.

Our Company is led by our promoter Sandeep Jain, who entered into the readymade garment business of manufacturing under our brand in the year 2007. For further details of our promoters, please refer to the chapter titled “Our Management” on page 83 of this Prospectus.

As on the date of this Prospectus we have few stores/outlets spread across various places in Delhi, Uttar Pradesh and Haryana. We have entered into supply agreement with some of the e-commerce players. We also have franchise model wherein we enter into agreement with the franchisee with varied date of commencement to sell our products at their showroom as per the terms and conditions of respective Franchise agreement. We receive one -time interest free refundable security deposit from franchisee which is refundable on the termination of the agreement.

Our Company’s total revenues, as restated for the period/year ended July 31, 2017, March 31, 2017, March 31, 2016 and March 31, 2015 were Rs.663.14 Lakhs, Rs. 1,644.89 Lakhs, 1,210.80 Lakhs and Rs. 1,416.42 Lakhs respectively. Our Company’s restated net profit after tax for the period/year ended July 31, 2017, March 31, 2017, March 31, 2016 and March 31, 2015 were Rs. 27.60 Lakhs, Rs. 14.76 Lakhs, (3.01) Lakhs and Rs. 5.50 Lakhs respectively.

### Location

Our Registered office and Manufacturing Unit are located at i.e. TA 168 & 187 Ground Floor, Gali No. 2, Tuglakabad Extn, New Delhi-110019. We have few stores/outlets located in various places in Delhi, Uttar Pradesh and Haryana.



## **Our Strength:**

### ***Designing Capabilities***

We have in-house teams of designers who with their design respond to current consumer preferences and anticipate future fashion trends. We believe designing is a critical element of garments and development of designs is one of our strength for selling proposition. Our design teams are supported by sophisticated computerized design systems including CAD/CAM. We plan to strengthen our capabilities in designing by continuously upgrading our design in terms of human resources.

### ***Experienced and Proven Management Team***

Our Promoters have experience in manufacturing, retailing and marketing of readymade garment industry and has played a key role in the sustained growth of our operations. The members of our management team also have experience in the garment industry, and have been chosen for their ability to effectively execute plans and policies. For further details of our promoters, please refer to the chapter titled “*Our Management*” on page 83 of this Prospectus.

### ***Quality check***

Our Company believes in providing quality to the customers. There are quality checks in place that prevent any defective material from reaching the customer. Quality control measures are in place at every step in the manufacturing process.

## **Our Strategy**

We intend to grow our business by implementing the following key strategies:

### ***Strengthening our brands***

We intend to invest in developing and enhancing recognition of our brands, through brand building efforts, communication and promotional initiatives such as advertisements in print media, hoardings, organizing events , participation in industry events, public relations and investor relations efforts. We have entered into supply agreement with some of the leading Indian digital commerce platforms. to enhance the visibility of our brands and strengthen our recognition.

### ***Our designing skills***

We have an in-house design team that constantly tries to predict new trends and fashion. In a season, the team works on several designs, out of which a few are picked up to constitute the new season collection.

### ***Continued focus on innovative designs***

We are into garmenting business, which requires creation of designs in terms of prevailing fashion. We have team of designers and other facilities to come out with designs, which make our garments more of a fashion product and thus proving better in terms of price realization. Our strategy is to further improvise on designs development. Presently, we are mainly into the development and manufacture of men’ formal, semi- formal and casual wear and women’ casual wear. We intend to continue to be focused into men’s wear and to add women’s formal and semi-formal wear.





**Strengthening our presence through e-commerce platform**

We have entered into supply agreement with some of the leading Indian digital commerce platforms to enhance the visibility of our brands and strengthen our recognition experience. We intend to develop the e-commerce and online retail business to provide us with additional channels of reaching out to our customers. We believe developing and expanding the online space may further attract the attention of our targeted customers which can be converted into footfalls in our stores/outlets.

**Our Products**

We manufacture our products under the brand ‘Monteil & Munero’, ‘Monteil’ and ‘Calgari’. Our product includes jeans, shirts, jackets, T-shirts, trousers, sweatshirts, sweaters, blazers, waistcoats, shorts, capris etc.

*Broad classification of our Products*

<b>Men’s wear</b>	Jeans, Trousers & Shorts, Shirts, T-Shirts, Sweatshirts, Sweaters, Jacket, Blazers, etc.	
<b>Women’s wear</b>	Jeggings, Capris, Shorts, Skirts, Tops, Tees, Shirts, Jacket, Blazers, Sweat Shirts, Sweaters, Dresses	

**Manufacturing process**

We place orders for our raw material requirements, which comprise of finished fabric, accessories such as fasteners, buttons, labels, and other consumables. We purchase the finished fabric and other raw materials from variety of suppliers. On receipt of the fabric and raw materials, our quality assurance team conducts a pre-production inspection. On approval of the quality assurance team, our manufacturing facility commences production, which involves cutting, sewing, finishing, and ironing, etc. Each stage of production is monitored by our quality assurance team to ensure conformity with our quality, cost and delivery requirements. Cutting of the fabric requires precision. To ensure minimum wastage, automated cutting tools are used for pattern grading and marker making. The stitching process comprises of different stitching machines, each for a specific purpose. We perform a range of finishing processes on our garments using specialized equipment including thread checking, ironing, steam pressing, collar pressing, accessories attachment and folding prior to packaging and delivery to customers.

**Procurement of fabric**

We procure fabric based on the design and type of garment to be manufactured. We have a team of employees who makes this assessment before purchasing the raw material from the suppliers. Presently, we source majority of the fabric required from Delhi and Bangalore.

**Pattern Making and Grading**

We utilize pattern making machine for creating the patterns according to the various sizes as per order details. These patterns and the marker plan are sent to the cutting department for cutting the fabric.

**Fabric Laying and Cutting**

The fabric procured from the source of supply by the merchandiser is sent to the factory Manager for stitching. The fabric is first inspected for any fabric defects on the inspection table. The fabric rolls are then spread on the

cutting table manually. The patterns cut on the pattern cutting machine are then placed on the spread fabric layers according to the marker plan. The fabric layers are then cut according to the marker plan with the straight knife cutting machine. The band knife is used for cutting the smaller parts. The cut fabric is then bundled according to the sizes and sent for stitching.

## **Sewing**

In the sewing section the machines are set according to the machine layout and operation bulletin. The bundles of the fabrics from cutting section are fed in the stitching lines for sewing where each machine is handled by a sewing operator. The fabric is stitched as initial assembly and then the final assembly. There are in-line checkers and line supervisors in the stitching department. The completely stitched fabric is then sent for thread cutting and end-line checking and finally sent in the finishing department.

## **Finishing**

In the finishing department, garments from the sewing are pressed by the steam irons and then these are sent for the final checking. In the finishing department the other tasks such as inserting Hang Tag, Price labels, and Hangers insertion are carried out. Then the garments are packed in the polythene bags and are packed in the cartons according to the sets of sizes.

## **Inspection**

The final inspection and quality audits are carried out in the finishing section. The final inspection is done by final checkers and Quality Audit Manager. The rejected pieces are then sent back to the stitching for alteration.

## **Packing**

The garments are to be packed according to the ratio of the given sizes. The garments are packed in the polythene bags and are packed in the cartons according to the sets of sizes.

## **Plant and Machinery**

Our Company has plant and machinery to take care the production requirement which depends on the demand

## **Utilities and Infrastructure Facilities**

### ***Raw Material***

The basic raw materials required for our business are finished fabrics, which we procure from third party suppliers. Although we have not entered into any long term agreements with our suppliers but we work through a purchase order based system.

### ***Power and Water***

Our manufacturing operations require a significant amount of power and water. We depend on state electricity supply for our power requirements and we use diesel generators to meet exigencies to ensure that our facilities are operational during power failures. We source our water requirements from borewells and water tankers.

## **Export Obligations**

Our Company doesn't have any export obligation.

## **E-Commerce**

We have entered into supply agreements for selling our products through some of the leading Indian digital commerce players. Pursuant to such agreements, we sell our products to them at a price which is fixed as per the terms and conditions of the respective agreements. We do not sell our products directly nor do we offer any discounts on such e-commerce platforms. Discounts, if any are offered by the such e-commerce platforms who purchase our products from us.

## Competition

We face significant competition from both organised and unorganised players. Our focus on customer satisfaction through in-house designing capabilities combined with our quality consciousness provides us with for most of our products. We strive to reduce our cost of production and improve our product offerings, our advertising communications and our operating efficiencies, to remain competitive.

## Marketing strategy

Our branding strategy focuses on the modern designs of our products in fashion trends and quality of products. Our marketing program includes advertising in print media, electronic advertising, etc. We participates in the local fair arranged in Delhi to display our products and also targeting to participate in fashion events. We also seek to improve our web presence through supply agreements with some of the leading Indian digital e-commerce players. We sell our products through our retail stores/outlets located at various places in Delhi, Uttar Pradesh and Haryana. Our marketing team comprises of marketing professionals headed by our promoter Sandeep Jain. We communicate about our new collections, in-store promotions and end of season sales through customer relationship management programme.

## Capacity and Capacity Utilisation

The following table sets forth information relating to the production capacities of garments at our unit, for the products specified:

Particulars	Existing			Proposed		
	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Installed Capacity	10000	10000	12000	15000	18000	20000
Manufactured	6000	8000	10000	11000	14000	16000
Capacity Utilization	60%	80%	83.33%	73.33	77.78	80%

## Human Resources

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company employs both skilled, semi-skilled and unskilled workers.

We have not experienced any major work stoppages due to labour disputes or cessation of work in the recent past and we have cordial relationship with our employees.

## Our Properties

Our Company registered office, manufacturing unit and warehouse are situated at TA 168 & 187 Ground Floor, Gali No. 2, Tuglakabad Extn, New Delhi-110019 and is taken on lease basis for a period of six years with effect from July 15, 2012. We also have eighteen outlets/stores situated at various places in Delhi, Uttar Pradesh and Haryana which are taken on lease/franchisee basis.

## Intellectual Property

For further details of the trademarks registered in the name of our Company and the applications made for registration, please refer “*Government and Other Approvals*” on page 140 of this Prospectus.

## Insurance

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with industry standards. At present our insurance policies provide cover against Standard fire and special perils policy, burglary standard policy and burglary standard policy which cover risk including loss of stock of readymade garments, accessories and raw materials etc. These insurance policies are generally valid for one year and are renewed annually by us.

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of certain sector-specific laws currently in force in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description below may not be exhaustive, and is only intended to provide general information to investors, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.*

*For information on regulatory approvals obtained by us, see “Government and Other Approvals” on page 140 of this Prospectus.*

### **Legal Metrology Act, 2009**

Legal Metrology Act, 2009, as amended, (“**Legal Metrology Act**”) was enacted with a view to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and related matters. Any advertisement mentioning retail price of a pre-packaged commodity should contain a declaration as to the net quantity or number of the commodity contained in the package. Under this legislation, manufacturing, packing, selling, distributing, delivering, offering, exposing, possessing for sale or importing any pre-packaged commodity is prohibited unless such package is in a standard quantity or number and carries all prescribed declarations and particulars.

Every weight or measure should be verified before putting them into use in any transaction. The central government prescribes the kinds of weights and measures which should be verified by the government approved test centres. The test centres will be notified by the central or state governments. Further, no person is authorized to manufacture, sell or repair, or offer, expose or possess for repair or sale, any weight or measure without obtaining a licence from the Controller of Legal Metrology. Such manufacturer, repairer or dealer of weight or measure is required to maintain records and registers as prescribed and is also required to produce the records and registers at the time of inspection.

### **The Trade Marks Act, 1999**

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 (“**Trademark Act**”) governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. The Trademark (Amendment) Act, 2010 has been enacted by the government to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

### **The Patents Act, 1970**

The Patents Act, 1970 (“**Patents Act**”) governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognise product patents as well as process patents. In addition to broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of the application for the patent.

### **Labour Related Legislations**

#### ***The Factories Act, 1948***

The Factories Act, 1948, as amended (the “**Factories Act**”) seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. It applies to industries in which (i) 10 or more than 10 workers are employed on any day of the preceding 12 months and are engaged in the

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

### ***The Employees' Provident Funds and Miscellaneous Provisions Act, 1952***

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as amended, (the "**EPF Act**") aims to institute provident funds, pension funds and deposit-linked insurance fund for the benefit of employees in establishments and factories engaged in any industry specified in Schedule I of the EPF Act which employ 20 or more persons or such class of establishments which the GoI may by notification specify, in this regard.

### ***The Employees' State Insurance Act, 1948***

The Employees' State Insurance Act, 1948, as amended, ("**ESI Act**") applies to all factories, unless seasonal in nature, which employ 10 or more employees for wages and carry on a manufacturing process with the aid of power (20 employees where manufacturing process is carried out without the aid of power). The ESI Act and the Employees' State Insurance (General) Regulations, 1950 puts the onus of registering the factory or establishment with the employer. The contribution payable under this ESI Act to the corporation comprises contribution payable by the employer and contribution payable by the employee, subject to certain exceptions. The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. Under the ESI Act, employees receive sickness benefit, maternity benefit, dependants benefit, medical benefit and funeral expenses. Where a workman has sustained an employment injury as an employer under the ESI Act, compensation or damages under the Workmen's Compensation Act, 1923 or any other law for the time being in force or otherwise cannot be claimed in respect of employment injury.

### ***The Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965, as amended ("**The Payment of Bonus Act**") provides for payment of bonus on the basis of profit or on the basis of production or productivity to persons employed in factories or in establishments employing 20 or more persons on any day during an accounting year. It ensures that a minimum bonus is payable to every employee regardless of whether the employer has any allocable surplus in the accounting year in which the bonus is payable. The employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or `100, whichever is higher.

### ***The Payment of Gratuity Act, 1972***

The Payment of Gratuity Act, as amended, ("**Payment of Gratuity Act**") provides for a scheme for payment of gratuity to an employee on the termination of his employment after he has rendered continuous service for not less than 5 years: (a) on his/her superannuation; (b) on his/her retirement or resignation; (c) on his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply). The maximum amount of gratuity payable to an employee is `10,00,000. The Payment of Gratuity Act is applicable, inter alia, to establishments in which 10 or more persons are employed or were employed on any day of the preceding 12 months.

### ***Workmen's Compensation Act, 1923***

The Workmen's Compensation Act, 1923, as amended, ("**Workmen's Compensation Act**") provides for payment of compensation to workmen in case of injury by accident (including certain occupational disease) arising out of and in the course of his employment and resulting in disablement or death. The Workmen's Compensation Act is applicable to persons employed in any capacity as is specified therein and includes persons employed in the construction, maintenance or repair of any road, bridge, dam etc.

### ***The Minimum Wages Act, 1948***

The Minimum Wages Act, 1948, as amended (“**Minimum Wages Act**”) provides for the fixing of minimum rates of wages payable to employees employed in a scheduled employment as specified therein, including employment on the construction or maintenance of roads or in building operations.

### ***Payment of Wages Act, 1936***

Payment of Wages Act, 1936, as amended, (“**Wages Act**”) is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them. It contains provisions in relation to, *inter alia*, the responsibility for payment of wages, fixing of wage periods, time of payment of wages, and maintenance of registers and records. It applies to the persons employed in a factory, industrial or other establishment or in railway, either directly or indirectly, through a sub-contractor. Further, the Wages Act is applicable to employees drawing wages up to ₹18,000 per month. The Government of India is responsible for enforcement of the Act in railways, mines, oilfields and air transport services, while the State Governments are responsible for it in factories and other industrial establishments.

### ***Maternity Benefit Act, 1961***

Maternity Benefit Act, 1961, as amended, (“**Maternity Benefit Act**”) is aimed at regulating the employment of women in certain establishments for certain periods before and after child birth and for providing for maternity benefit and certain other benefits. It applies to every establishment being a factory, mine or plantation including any such establishment belonging to government and to every establishment wherein persons are employed for the exhibition of equestrian, acrobatic and other performances. It also applies to every shop or establishment wherein ten or more persons are employed or were employed on any day of the preceding twelve months. According to the Maternity Benefit Act, every woman is entitled to, and her employer is liable for, the payment of maternity benefit at the rate of the average daily wage for the period of her actual absence, including the period immediately preceding the day of her delivery, the actual day of her delivery and any period immediately following that day.

### ***The Equal Remuneration Act, 1976***

The Equal Remuneration Act, 1976, as amended, (“**The Equal Remuneration Act**”) provides for the payment of equal remuneration to men and women workers for same work or work of a similar nature and for the prevention of discrimination, on the ground of sex, against women in the matter of employment. According to the Equal Remuneration Act, the term remuneration means the basic wage or salary and any additional emoluments whatsoever payable, either in cash or in kind, to a person employed in respect of employment or work done in such employment, if the terms of the contract of employment, express or implied, are fulfilled. Further, no employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

### ***The Child Labour (Prohibition & Regulation) Act, 1986***

The Child Labour (Prohibition & Regulation) Act, 1986, as amended, (“**Child Labour Act**”) was enacted to prohibit the engagement of children below the age of fourteen years in certain specified occupations and processes and to regulate their conditions of work in certain other employments. The list of such occupations and processes is progressively being expanded on the recommendation of Child Labour Technical Advisory Committee constituted under the Act. No child shall be required or permitted to work in any establishment in excess of such number of hours, as may be prescribed for such establishment or class of establishments. Every child employed in an establishment shall be allowed in each week, a holiday of one whole day, which day shall be specified by the occupier in a notice permanently exhibited in a conspicuous place in the establishment and the day so specified shall not be altered by the occupier more than once in three months.

### ***Shops and Establishment Acts***

Shops and Establishment Acts are state legislations that seek to govern and regulate the working conditions of workers/employees employed in shops and commercial establishments within that state. Every shop or commercial establishment is required to register itself under the relevant state's shop and establishment act, as per the procedure laid down therein.

### ***Electricity Act, 2003***

The Electricity Act, 2003 is an Act to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto. The related Electricity Regulatory Commissions Act, 1998 has been enacted with a view to confer on these statutory Commissions the responsibility of regulating this sector.

## **TAX RELATED LEGISLATIONS**

### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its "Residential Status" and "Type of Income" involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31st September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

### **Goods & Service Tax ("GST")**

*The Delhi Goods and Services Tax Act, 2017*  
*Central Goods and Services Tax Act, 2017*  
*THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017*

Goods and Services Tax (GST) is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. The GST shall be levied as Dual GST separately but concurrently by the Union (central tax - CGST) and the States (including Union Territories with legislatures) (State tax - SGST) / Union territories without legislatures (Union territory tax- UTGST). The Parliament would have exclusive power to levy GST (integrated tax - IGST) on inter-State trade or commerce (including imports) in goods or services. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. Besides, some goods and services would be under the list of exempt items.

*Central Taxes to be subsumed Under GST:*

- *Central Excise Duty*
- *Service Tax*
- *Additional Duties of Excise*
- *Duties of Excise (Medicinal and Toilet Preparations)*
- *Additional Duties of Customs (known as CVD) & Special Additional Duty of Customs (SAD)*
- *Surcharge and Cess levied by Centre so far as they relate to supply of goods and services*
- *Surcharge & Cess levied by Centre*

*State Taxes to be subsumed Under GST:*

- *Central Sales Tax*
- *State VAT*
- *Luxury Tax*

- *Entry Tax and Octroi (all forms)*
- *Entertainment and Amusement Tax (except when levied by the local bodies)*
- *Taxes on lotteries, betting and gambling*
- *Purchase Tax*
- *Surcharges and Cesses levied by the State*

### **Professional Tax**

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

### **Competition Act, 2002 (“Competition Act”)**

The Competition Act, 2002 aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (“**Competition Commission**”) which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

### **The Companies Act, 1956**

The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act, 1956 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act, 1956 plays the balancing role between these two competing factors, namely, management autonomy and investor protection.



### **The Companies Act, 2013**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 (Ninety Eight) Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 (One Eighty Three) Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has inter-alia amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

## HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### Brief History of our Company

Our Company was originally incorporated as Lorenzini Apparels Private Limited at National Capital Territory of Delhi and Haryana as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 09, 2007 bearing registration number 163192 issued by Assistant Registrar of Companies, Delhi. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on March 15, 2017 and fresh certificate of incorporation consequently upon change of name was issued by Assistant Registrar of Companies, Delhi dated March 30, 2017 and name of our Company was changed to Lorenzini Apparels Limited. The Corporate Identification Number is U17120DL2007PLC163192.

The Promoters of our Company are Sandeep Jain and Deepika Jain.

### Changes in our Registered Office:

As on the date of this Prospectus, our Registered Office is located at TA 168 & 187 Ground Floor, Gali No. 2, Tuglakabad Extn, New Delhi -110019.

The details of changes in the address of our Registered Office since incorporation are set forth in the table below:

Date of Change	Details of the address of Registered Office		Reason
	From	To	
01/11/2011	A-2/70, Sector-5, Rohini, Delhi -110085.	E-20A, Lower Ground Floor, Lajpat Nagar-II, New Delhi, South Delhi- 110024.	For administrative convenience
20/02/2014	E-20A, Lower Ground Floor, Lajpat Nagar-II, New Delhi, South Delhi- 110024.	F-39, First Floor, V3S Shopping Mall, New Delhi, East Delhi - 110092.	For administrative convenience
24/03/2017	F-39, First Floor, V3S Shopping Mall, New Delhi, East Delhi -110092.	TA 168 & 187 Ground Floor, Gali No. 2, Tuglakabad Extn, New Delhi -110019.	For administrative convenience

### Main Objects of our Company:

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

1. To carry on business of manufacturing, Export, Retailing and trading of all type of Garments, Fabrics, Home furnishing and Handicrafts.
2. To carry on the business as manufacturers, importers and exporters, buyers, sellers, distributors, agents, brokers, wholesale and retail dealers of and in men's women's and children's clothing and wearing apparels of every kind, nature and description including shirts, bush-shirts, pyjama suits, vests, under wears, suit foundation garments for ladies dresses, brassieres, maternity belts, kneecaps, coats, panties nighties and so on.
3. To spin, make, produce and process bleach, dye, print weave and finish all kinds of Sarees, Lehanga's Chunnis, Suits and other dress materials.
4. To buy, sell, import, export, pack, replace or otherwise deal in all kinds of readymade garments made of all kinds of materials or fibres whether man made or natural such as cotton, silk, wool, rayon, Viscose, leather, skins and hides.

### Amendments to the Memorandum of Association

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

Date of Shareholders' Resolution	Nature of Amendment
September 30, 2008	Authorised Share capital of our Company was increased from Rs 1,00,000 consisting of 10,000 Equity Shares of Rs 10.00 each to Rs. 20,00,000 consisting of 2,00,000 Equity Shares of Rs 10.00 each.

<b>Date of Shareholders' Resolution</b>	<b>Nature of Amendment</b>
February 22, 2017	Alteration in the Memorandum of Association by merging the Objects mentioned under Clause III C-“ <i>Other Objects</i> ” with Clause III B-“ <i>The objects Incidental or Ancillary to the attainment of the Main Objects</i> ” and the Clause III B be renamed as “ <i>Matters which are necessary for furtherance of the objects specified in Clause III A</i> ”
February 22, 2017	Authorised Share capital of our Company was increased from Rs 20,00,000 consisting of 2,00,000 Equity Shares of Rs 10.00 each to Rs 3,20,00,000 consisting of 32,00,000 Equity Shares of Rs 10.00 each.
March 15, 2017	Change in the name of our Company from Lorenzini Apparels Private Limited to Lorenzini Apparels Limited pursuant to the conversion from Private Limited to Public Limited Company.
June 16, 2017	Authorised Share capital of our Company was increased from Rs 3,20,00,000 consisting of 32,00,000 Equity Shares of Rs 10.00 each to Rs 10,00,00,100 consisting of 1,00,00,010 Equity Shares of Rs 10.00 each.
September 25, 2017	Authorised Share capital of our Company was increased from Rs. 10,00,00,100 consisting of 1,00,00,010 Equity Shares of Rs 10.00 each to Rs. 10,20,00,000 consisting of 1,02,00,000 Equity Shares of Rs.10 each.

### **Major Events and Milestones**

The table below sets forth some of the key events in the history of our Company:

<b>Calendar Year</b>	<b>Event</b>
2007	Incorporation of our Company
2017	Conversion of Private Limited Company to Public Limited Company
2017	Received ISO 9001:2015 systems certification

### **Other Details regarding our Company**

For details of our Company’s corporate profile, business, marketing, the description of our activities, services, products, market segment, the growth of our Company, exports and profits due to foreign operations, standing of our Company in relation to prominent competitors with reference to our products and services, environmental issues, technology, market, capacity built up, major suppliers, major customers and geographical segment, please refer “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 69 and 129, respectively of this Prospectus.

For details of the management of our Company and its managerial competence, please refer “*Our Management*” on page 83 of this Prospectus.

### **Revaluation of Assets**

Our Company has not revalued its assets since its incorporation.

### **Capital raising activities through equity or debt**

For details regarding our capital raising activities through equity and debt, please refer “*Capital Structure*” and “*Financial Indebtedness*” on pages 44 and 127 respectively of this Prospectus.

### **Injunctions or restraining order against our Company**

There are no injunctions or restraining orders against our Company.

### **Guarantees provided by our Promoters**

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

### **Changes in the Activities of our Company during the last five years**

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

### **Changes in the Management**

There has been no change in the management in last 3 years.

**Defaults or rescheduling of borrowings from financial institutions/ banks and conversion of loans into equity**

No defaults have been called by any financial institution or bank in relation to borrowings from financial institutions or banks. For details of our financing arrangements, please refer “*Financial Indebtedness*” on page 127 of this Prospectus. Further, none of our loans have been rescheduled or been converted into Equity Shares except as stated in the section “*Capital Structure*” on page 44 of this Prospectus.

**Lock outs and strikes**

There have been no lock outs or strikes at any of the units of our Company.

**Time and cost overruns**

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

**Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets**

Our Company has neither acquired any entity, business or undertakings nor undertaken any mergers, amalgamation or revaluation of assets.

**Holding Company of our Company**

As of the date of this Prospectus, our Company does not have a holding Company.

**Subsidiary of our Company**

As of the date of this Prospectus, our Company does not have a subsidiary Company.

**Collaboration Agreements**

As on the date of this Prospectus, our Company is not a party to any collaboration agreements.


**Shareholders’ Agreements**

As on the date of this Prospectus, our Company has not entered into any shareholders’ agreements.

**Material Agreements**

Except as disclosed below, there are no other material agreements, apart from those entered into the ordinary course of business carried or intended to be carried by us:-

**Trademark Licensing Agreement dated October 01, 2017 entered into by and between Sandeep Jain and Deepika Jain , Promoter of our Company (the “Licensor”) and our Company.**

1. Our Promoter Director Sandeep Jain has licensed the “*Monteil & Munero*” and “*Invern*” trademark to our Company pursuant to the trademark licensing agreement dated October 01, 2017. Sandeep Jain has, in his capacity as the owner, irrevocably assigned, transferred and delivered all rights, benefit, title, interest, including common law rights vested in the said trademarks without any limitation or restriction whatsoever unto our Company for a term of 5 years absolutely for a consideration of Rs 2,000/- per month and one time licensing sum of Rs. 10,000/-
2. Our Promoter Director Deepika Jain has has licensed the  trademarks to our Company pursuant to the trademark licensing agreement dated October 01, 2017. Deepika Jain has, in his capacity as the owner, irrevocably assigned, transferred and delivered all rights, benefit , title, interest, including common law rights vested in the said trademarks without any limitation or restriction whatsoever unto our Company for a term of 5 years absolutely for a consideration of Rs 1,000/- per month.

**Strategic and Financial Partners**

As of the date of this Prospectus, our Company does not have any strategic or financial partners.

**Number of Shareholders**

Our Company has Seven (7) shareholders on date of this Prospectus.

## OUR MANAGEMENT

### Board of Directors

Our Articles of Association require us to have not less than three Directors and not more than 15 Directors. As of the date of this Prospectus, we have five Directors on our Board.

Set forth below are details regarding our Board as on the date of this Prospectus:

Name, Designation, Occupation, Term, DIN and Nationality	Age (years)	Address	Other Directorships / Designated Partners
<p><b>Sandeep Jain</b></p> <p><b>Designation:</b> Managing Director</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> Appointed as Managing Director with effect from November 01, 2009. Further, re-appointed for a period of five years with effect from July 01, 2017</p> <p><b>DIN:</b> 02365790</p> <p><b>Nationality:</b> Indian</p>	36	B-501, Omaxe Forest Spa, Sector-93B, Gautam Buddha Nagar, Uttar Pradesh -201304, India	<p><i>Indian public limited companies</i></p> <p>Nil</p> <p><i>Indian private limited companies</i></p> <p>Nil</p>
<p><b>Deepika Jain</b></p> <p><b>Designation:</b> Whole-time Director</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> Appointed as Whole-time Director for the period of Five years w.e.f. July 01, 2017</p> <p><b>DIN:</b> 02365797</p> <p><b>Nationality:</b> Indian</p>	36	B-501, Omaxe Forest Spa, Sector-93B, Gautam Buddha Nagar, Uttar Pradesh -201304, India	<p><i>Indian public limited companies</i></p> <p>Nil</p> <p><i>Indian private limited companies</i></p> <p>Nil</p>
<p><b>Rajit Sehgal</b></p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> Liable to Retire by Rotation</p> <p><b>DIN:</b> 05281112</p> <p><b>Nationality:</b> Indian</p>	36	C-21, F. F. Ardee City Sector-52 Gurgaon-122002, Harayana, India	<p><i>Indian public limited companies</i></p> <p>Nil</p> <p><i>Indian private limited companies</i></p> <p>Sunymold Industry Private Limited</p> <p><i>Limited Liability Partnership</i></p> <p>J S E Global LLP</p>
<p><b>Mohinder Rustagi</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Occupation:</b> Service</p>	40	H. No. - 412, Urban Estate Sector - 4, Gurgaon-122001, Haryana, India	<p><i>Indian public limited companies</i></p> <p>Nil</p>

<b>Name, Designation, Occupation, Term, DIN and Nationality</b>	<b>Age (years)</b>	<b>Address</b>	<b>Other Directorships / Designated Partners</b>
<b>Term:</b> Appointed as Independent Director for the period of Five years w.e.f June 30, 2017  <b>DIN:</b> 07762470  <b>Nationality:</b> Indian			<i>Indian private limited companies</i>  Ishaadya Trade Private Limited
<b>Pardeep Singh</b>  <b>Designation:</b> Independent Director  <b>Occupation:</b> Business  <b>Term:</b> Appointed as Independent Director for the period of Five years w.e.f June 30, 2017  <b>DIN:</b> 03065859  <b>Nationality:</b> Indian	34	Bhawani Enclave Basal Farrukhnagar, Gurgaon, Haryana- 122006, India	<i>Indian public limited companies</i>  Nil  <i>Indian private limited companies</i>  1. Bharti HR Solutions Private Limited  <i>Limited Liability Partnership</i> Apple H.R. Solution LLP

#### **Brief Profile of our Directors**

**Sandeep Jain**, aged 36 years, is the Promoter and Managing Director of our Company. He has completed his Higher Secondary from Gurgaon, Haryana. He has around 10 years of experience in the readymade garments industry. He is responsible for developing business strategies and instrumental in formulating strategic growth of our Company. He looks after the production, retailing and online marketing division of our Company. He is associated with our Company since incorporation. He has joined our board as Managing Director since November 01, 2009 and was reappointed as Managing Director w.e.f. July 01, 2017.

**Deepika Jain**, aged 36 years, is the Promoter and Whole-time Director of our Company. She has completed her Master of Commerce from Sikkim Manipal University. She has around 8 years of experience in accounts and finance. She looks after the retail and quality check division of our Company. She is associated with our company since incorporation. She has joined our board as Whole time Director since July 01, 2017.

**Rajit Sehgal**, aged 36 years, is the Non-Executive Director of our Company. He has completed his Bachelor of Arts (vocational studies) from the University of Delhi. He has around 6 years of experience in the business of manufacturing of automobile components. He has been on the board of our Company since June 26, 2017.

**Mohinder Rustagi**, aged 40 years, is a Non-executive and Independent Director of our Company. He has completed his Bachelor of Commerce from the University of Delhi. He was appointed as additional Independent Director on March 14, 2017 and was regularized as Independent Director on June 30, 2017.

**Pardeep Singh**, aged 34 years, is the Non-executive and Independent Director of our Company. He completed his Master of Arts (Political Science Examination) from Kurukshetra University. He has around 3 years' experience in business of consultancy and hospitality. He was appointed as additional Independent Director on March 14, 2017 and was regularized as Independent Director on June 30, 2017

### Further Confirmations

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors are on the RBI List of willful defaulters as on date.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such Company.
- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such Company.
- None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other Company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- No proceedings/ investigations have been initiated by SEBI against any Company, the board of directors of which also comprises any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or Companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or Company in which he is interested, in connection with the promotion or formation of our Company.
- None of our Directors is or was a director of any Company who have made an application to the relevant registrar of companies (in India), for striking off its name except IJS technologies Pvt. Ltd. and Safar Hospitality Services Private Limited which has applied to the Registrar of Companies for striking off their names and the same has been struck off on April 16, 2016 and January 02, 2017, as per the ROC records.

### Relationship between our Directors

None of our Directors are related to each other, except Sandeep Jain is the spouse of Deepika Jain.

### Compensation to our Directors

Set forth below is the remuneration paid by our Company to our Directors in Fiscal 2017.

S. N.	Name of Director	Remuneration paid in financial year 2017 (Rs. in lakhs)
1.	Sandeep Jain	15.21
2.	Deepika Jain	9.33
<b>Total</b>		<b>24.54</b>

### Terms and conditions of employment of our Managing Director and Whole-time Director

#### Sandeep Jain

Sandeep Jain is currently the Managing Director of our Company. Our Board in its meeting held on June 26, 2017 and our shareholders in the EGM dated June 30, 2017 approved the re-appointment of Sandeep Jain as Managing Director of our Company for a period of five years with effect from July 01, 2017. The significant terms of his employment are as below:

<b>Salary</b>	Rs. 6.00 Lakhs per annum
<b>Term</b>	Re-Appointed as Managing Director for the period of five years w.e.f. July 01, 2017
<b>Remuneration in the event of loss or inadequacy of profits</b>	In the event of inadequacy or absence of profits in any financial years during his tenure, the Managing Director will be entitled to the remuneration mentioned above by way of minimum remuneration.

### **Deepika Jain**

Deepika Jain is currently the Whole-time Director of our Company. Our Board in its meeting held on June 26, 2017 and our shareholders in the EGM dated June 30, 2017 approved the appointment of Deepika Jain as Whole-time Director of our Company for a period of five years with effect from July 01, 2017. The significant terms of her employment are as below:

<b>Salary</b>	Rs. 6.00 Lakhs per annum
<b>Term</b>	Appointed as Whole-time Director for the period of five years w.e.f. July 01, 2017
<b>Remuneration in the event of loss or inadequacy of profits</b>	In the event of inadequacy or absence of profits in any financial years during her tenure, the Whole-time Director will be entitled to the remuneration mentioned above by way of minimum remuneration.

### **Sitting Fees**

Our Board has, pursuant to its resolution dated June 26, 2017 fixed that no sitting fee shall be paid to our Non-Executive Directors for attending any meeting of the Board and committee(s) of the Board. Our Company has not paid any sitting fees or any other remuneration to the Non-Executive Directors of our Company in the Financial Year 2017.

### **Borrowing Powers of our Board**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by our shareholders at their meeting held on March 31, 2017, our shareholders have authorized our Board to borrow any sum of money from time to time notwithstanding that the sum or sums so borrowed together with the monies, if any, already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the paid up capital and free reserves of the Company provided such amount does not exceed Rs.100 crore in excess of its paid up capital and free reserves which may have not been set apart for any purpose.

### **Corporate Governance**

The provisions of the Listing Regulations with respect to corporate governance will also be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, the SEBI (ICDR) Regulations and the Companies Act, 2013 in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, to the extent applicable. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act and the SEBI (LODR) Regulations, to the extent applicable our Board of Directors consists of five Directors (including one woman Director) of which two are non-executive Independent Directors which is in compliance with the requirements of Companies Act, 2013 and SEBI (LODR) Regulations.

### **Committees of our Board**

Our Board has constituted the following committees including those for compliance with corporate governance requirements:

#### **a. Audit Committee**



Our Audit Committee was constituted pursuant to a resolution of our Board dated on June 26, 2017. The Audit Committee comprises:

<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mohinder Rustagi	Chairman	Non-Executive Independent Director
Pardeep Singh	Member	Non-Executive Independent Director
Sandeep Jain	Member	Managing Director

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

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations.

**A. Powers of Audit Committee**

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**B. Role of Audit Committee**

The role of the Audit Committee shall include the following:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Draft Prospectus/ Prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- carrying out any other function as is mentioned in the terms of reference of the audit committee.

Further, the Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations: (a) half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); (b) annual statement of funds utilized for purposes other than those stated in the offer Draft Prospectus / Prospectus/notice in terms of Regulation 32(7).

As required under Regulation 18 of the SEBI (LODR) Regulations, the Audit Committee shall meet at least four times in a year, and not more than four months shall elapse between two meetings. The quorum shall be two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent members present.

**b. Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated June 26, 2017. The Stakeholders' Relationship Committee comprises:

Name of Director	Status in Committee	Nature of Directorship
Mohinder Rustagi	Chairman	Non-Executive Independent Director
Sandeep Jain	Member	Managing Director
Deepika Jain	Member	Whole-Time Director

The Company Secretary of the Company shall act as the Secretary of the Stakeholders' Relationship Committee.

Set forth below are the terms of reference of our Stakeholders' Relationship Committee.

- To look into the redressal of grievances of shareholders, debenture holders and other security holders;
- To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares;
- To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends; and
- To carry out any other function as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time."

**c. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was constituted by our Board on June 26, 2017. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations. The Nomination and Remuneration Committee include the following:

Name of Director	Status in Committee	Nature of Directorship
Mohinder Rustagi	Chairman	Non-Executive Independent Director
Pardeep Singh	Member	Non-Executive Independent Director
Rajit Sehgal	Member	Non-Executive Non Independent Director

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

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

Set forth below are the terms of reference of our Nomination and Remuneration Committee.

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

#### Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares. As on date of this Prospectus, our Directors hold the following number of Equity Shares of our Company:

Name of Directors	Number of Equity Shares Held (Pre-Issue)	% of pre-Issue capital
Sandeep Jain	50,58,761	89.24
Deepika Jain	6,09,505	10.75
Rajit Sehgal	130	Negligible
Mohinder Rustagi	130	Negligible
<b>Total</b>	<b>56,68,526</b>	<b>99.99</b>

#### Interest of our Directors

Our Managing Director and Whole-time Director may be interested to the extent of remuneration paid to them, respectively for services rendered as a Director of our Company and reimbursement of expenses payable to them. For details please refer “*Terms and conditions of employment of our Managing Director and Whole-time Director*” above. Further, all our Non-executive and Independent Directors may be interested to the extent of fees payable to them and/or the commission payable to them for attending meetings of the Board of Directors or a committee thereof.

Further, except as disclosed under “*Shareholding of Directors in our Company*” above, none of our Directors hold any Equity Shares or any other form of securities in our Company. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue. Further, our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our Promoter Directors Sandeep Jain and Deepika Jain may be interested to the extent our Company is promoted by them. For details, please refer “*History and Certain Other Corporate Matters*” on page 80 of this Prospectus.

Except as mentioned in this Prospectus, none of our Directors have any interest in any property acquired by our Company within two years of the date of this Prospectus or proposed to be acquired by it or in any transaction in acquisition of land, construction of building and supply of machinery etc.

Further, our Directors may be directors on the board, or are members, or are partners, or are trustees of certain Group Entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to such Group Entities. For the payments that are made by our Company to certain Group Entities, please refer- “*Financial Statements*” on page 101 of this Prospectus.

Other than as stated above and except as stated in the chapters “*Financial Statements*” and in “*Our Promoters and Promoter Group*” on pages 101 and 94 of this Prospectus, our Directors do not have any other interest in the business of our Company.

#### **Appointment of relatives of Directors to any office or place of profit**

Except as disclosed in this Prospectus, none of the relatives of our Directors currently hold any office or place of profit in our Company.

#### **Bonus or Profit Sharing Plan for our Directors**

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

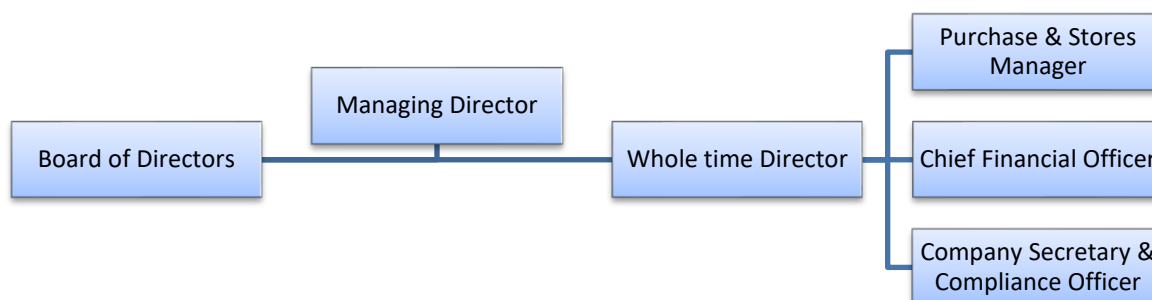
#### **Changes in our Board during the Last Three Years**

Except as disclosed below, there have been no changes in our Board during the last three years.

<b>Name of Director</b>	<b>Date of appointment</b>	<b>Date of cessation</b>	<b>Reason</b>
Mohinder Rustagi	June 30, 2017	-	Appointment as Independent Director
Pardeep Singh	June 30, 2017	-	Appointment as Independent Director
Rajit Sehgal	June 30, 2017	-	Appointment as Non-executive Director
Sandeep Jain	July 01, 2017	-	Re-appointment as Managing Director
Deepika Jain	July 01, 2017	-	Appointment as Whole-Time Director

## Organisation Structure

Set forth is the organization structure of our Company:



## OUR KEY MANAGERIAL PERSONNEL

Set forth below are the details of our key managerial personnel in addition to our Managing Director and the Whole-time Director as on the date of this Prospectus. For details of our Managing Director and the Whole-time Director, please refer “*Our Management*” on page 83 of this Prospectus.

**Deepika Jain**, aged 36 years is the Chief Financial Officer of our Company. She holds a Master’s degree in commerce from Sikkim Manipal University. She has around 8 years of experience in the accounts and finance sector. She looks after the retail and quality check division of our Company. She has been associated with our Company as the CFO since July 01, 2017. Her gross salary is Rs. 6.00 Lakhs per annum.

**Laveena Jain**, aged 25 years, is the Whole Time Company Secretary and Compliance Officer of our Company. She holds a degree of bachelor’s in Commerce from Delhi University and is a Company Secretary certified by the Institute of Company Secretaries of India. She has been associated with our Company since September 22, 2017. She is currently responsible for the secretarial and legal compliances and matters relating thereto of our Company. Her gross salary is Rs 3.00 Lakhs per annum.

### Status of Key Managerial Personnel

All our key managerial personnel are permanent employees of our Company.

### Nature of family relationship

None of the above mentioned key managerial personnel are related to each other and neither are they related to our Promoters or Directors. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the key managerial personnel were selected as members of our senior management.

### Shareholding of the Key Managerial Personnel

As on date of this Prospectus, our key managerial personnel hold the following number of Equity Shares of our Company:

Name of key managerial personnel	Number of Equity Shares Held (Pre-Issue)	Percentage (%)
Sandeep Jain	50,58,761	89.24
Deepika Jain	6,09,505	10.75
<b>Total</b>	<b>56,68,266</b>	<b>99.99</b>

#### **Bonus or Profit Sharing Plan for our Key Managerial Personnel**

As on the date of this Prospectus our Company does not have any performance linked bonus or profit sharing plan with any of our key managerial personnel.

#### **Loans to Key Managerial Personnel**

There is no loan outstanding against key managerial personnel as on date of this Prospectus.

#### **Interest of Key Managerial Personnel**

Except for Sandeep Jain who is the Promoter and Managing Director of our Company, Deepika Jain who is the Promoter, whole-time director and CFO of our Company, the key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business. The key managerial personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

Except as disclosed, none of the key managerial personnel has been paid any consideration of any nature from our Company, other than their remuneration.

#### **Changes in Key Managerial Personnel in the Last Three Years**

For details of changes in our Managing Director and the Whole-time Director during the last three years, see “*Our Management*” page 83 of this Prospectus.

Set forth below are the changes in our key managerial personnel in the last three years immediately preceding the date of this Prospectus:

Name	Designation	Date of Change	Reason
Sanchit Jaiswal	Company Secretary	June 26, 2017	Appointment
Sanchit Jaiswal	Company Secretary	June 26, 2017	Resignation
Deepika Jain	Chief Financial Officer	July 01, 2017	Appointment
Sandeep Jain	Managing Director	July 01, 2017	Appointment
Laveena Jain	Company Secretary	September 22, 2017	Appointment

#### **Employees Stock Option Scheme**

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Prospectus.

**Payment or Benefit to officers of our Company**

Except for the payment of remuneration or commission for services rendered by our officers, no amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any officer.

**Arrangements and Understanding with Major Shareholders**

None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For more information, please refer “*History and Certain Other Corporate Matters*” on page 80 of this Prospectus.

**Employees**


The details about our employees appear under the Paragraph titled “*Human Resource*” beginning on page 73 of this Prospectus.

## OUR PROMOTERS AND PROMOTER GROUP


Our Promoters comprise Sandeep Jain and Deepika Jain. As on the date of this Prospectus, our Promoters hold 56,68,266 Equity Shares representing 99.99% of the issued and paid-up Equity Share capital of our Company.

### Details of our Promoters

#### *Sandeep Jain*

	<p><b>Sandeep Jain</b> aged 36 years, is the Promoter of our Company and is also the Managing Director of our Company.</p> <p>For a complete profile of Sandeep Jain , i.e., his educational qualifications, experience, positions / posts held in the past and other directorships and special achievements, please refer “<i>Our Management</i>” on page 83 of this Prospectus.</p> <p><b>Passport No:</b> G5901064 <b>Driving License:</b> UP1620150005646 <b>Voters ID:</b> URO0584615</p> <p>As on date of this Prospectus, Sandeep Jain holds 50,58,761 Equity Shares representing 89.24% of the pre-issue paid-up capital of our Company.</p>
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#### *Deepika Jain*

	<p><b>Deepika Jain</b>, aged 36 years, is the Promoter of our Company and is also the Whole-time Director of our Company.</p> <p>For a complete profile of Deepika Jain, i.e., her educational qualifications, experience, positions / posts held in the past and other directorships and special achievements, please refer “<i>Our Management</i>” on page 83 of this Prospectus.</p> <p><b>Passport No:</b>J3777415 <b>Driving License:</b> UP1620150017370 <b>Voters ID:</b> URO0584623</p> <p>As on date of this Prospectus, Deepika Jain holds 6,09,505 Equity Shares representing 10.75% of the pre-issue paid-up capital of our Company.</p>
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We confirm that the PAN, bank account numbers and passport numbers of our Promoters will be submitted to SME Platform of BSE Limited where the Equity Shares are proposed to be listed at the time of filing this Prospectus with BSE Limited.

### Interest of our Promoters

Our Promoters are interested in our Company to the extent of their respective Equity shareholding in our Company and to such extent any dividend distribution that may be made by our Company in the future. For details pertaining to our Promoters’ shareholding, please refer “*Capital Structure*” on page 44 of this Prospectus.

Our Promoters may also be interested to the extent our Company was promoted by them. Our Promoters, Sandeep Jain and Deepika Jain are also interested to the extent of being Directors on our Board, as well as any remuneration, sitting fees and reimbursement of expenses payable to each of them. For more information, please refer “*Our Management*” on page 83 of this Prospectus.

Except as mentioned in this Prospectus, none of our Promoters have any interest in any property acquired by our Company within two years from the date of this Prospectus or proposed to be acquired by it or in any transaction in acquisition of land, construction of building and supply of machinery etc.



Other than as disclosed in the section “*Financial Statements*” on page 101 of this Prospectus, there are no sales/purchases between our Company and our Promoter and Promoter Group, Group Companies when such sales or purchases exceeding in value in the aggregate 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoters, our Promoter Group, Group Companies and the associate companies as on the date of the last financial statements.

Our Promoters may be interested to the extent the Company has availed unsecured loans from them which are repayable on demand. For further details, please refer “*Financial Statements*” and “*Financial Indebtedness*” on pages 101 and 127, respectively of this Prospectus.

### **Change in the management and control of our Company**

There has not been any change in the management or control of our Company in five years immediately preceding the date of this Prospectus.

### **Group Entities**

For details of our group entities, please refer “*Group Entities*” on page 97 of this Prospectus.

### **Payment of Benefit to Promoters**

Except as stated above in “*Our Management*” and in “*Financial Statements*” and “*Capital Structure*” on pages 83, 101 and 44, there has been no payment of benefits to our Promoters, members of our Promoter Group and Group Entities, during the two years preceding the filing of this Prospectus.

### **Litigation**

For details relating to legal proceedings involving the Promoters, please refer “*Outstanding Litigations and Material Development*” on page 136 of this Prospectus.

### **Other Confirmations**

Our Promoters have confirmed that they have not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

There are no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of this Prospectus against any of our Promoter.

As on the date of this Prospectus, our Promoters and members of our Promoter Group are not and have not ever been prohibited from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, none of our Promoter was or is a promoter or person in control of any other company that is or has ever been debarred from accessing the capital market under any order or direction made by SEBI or any other authority.

Except as disclosed below, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company. Our Company will pay consideration of one time licensing sum of Rs. 10,000/- and Rs 2,000/- per month to our Promoter, Sandeep Jain in consideration for usage of ‘*Monteil & Munero*’ and ‘*Invern*’ trademarks licensed by them to our Company. For details of the trademark licensing arrangement, see the section titled “*History and Certain Corporate Matters*” on page 80 of this Prospectus.

### **Guarantees**

Our Promoters have not given any guarantee to any third party as of the date of this Prospectus.

### **Companies with which our Promoters have disassociated in the last three years**

Our Promoters have not disassociated themselves as a promoter from any Company in last three years preceding the date of filing this Prospectus except IJS technologies Pvt. Ltd., in which Sandeep Jain was the promoter,

who has been applied to the Registrar of Companies for striking off its name and the same has been struck off on April 16, 2016, as per the ROC records.

### **Our Promoter Group**

In addition to the Promoters named above, the following individuals and entities form a part of the Promoter Group:

#### *A. Natural Persons who form part of our Promoter Group:*

<b>Relationship</b>	<b>Sandeep Jain</b>	<b>Deepika Jain</b>
Father	Vijay Kumar Jain*	Ram Mehar Singh Yadav*
Mother	Santosh Jain*	Vidya Yadav*
Spouse	Deepika Jain	Sandeep Jain
Brother	Parveen Jain*	Rajeev Yadav*
	Amit Jain*	Anil Yadav*
Sister	--	Vimal Yadav*
Son	Ishan Jain*	Ishan Jain*
Daughter	Aadya Jain*	Aadya Jain*
Spouse's Father	RMS Yadav*	Vijay Kumar Jain*
Spouse's Mother	Vidya Yadav*	Santosh Jain*
Spouse's Brother	Rajeev Yadav*	Parveen Jain*
	Anil Yadav*	Amit Jain*
Spouse's Sister	Vimal Yadav*	-

**\*In the context of aforementioned persons, our Promoter has informed us that information related to business / financial interest held by said 'relatives' is not accessible for the purpose of disclosure in Draft Prospectus / Prospectus. Therefore, the disclosures made in this Prospectus are limited to the extent of information that has been made available by our Promoters in relation to Promoter Group Entities forming part of the Promoter Group:**

**The following entities form part of our Promoter Group pursuant to the terms of Regulation 2(1) (zb) (iv) of SEBI (ICDR) Regulations.**

There are no entities forming part of the Promoter Group.

#### **Hindu Undivided families & LLP forming part of Promoter Group:**

Sandeep Jain HUF

#### **Trust/ Proprietorship Firm forming part of Promoter Group:**

There are no Trust/Proprietorship Firms forming part of the Promoter Group.

#### **Relationship of Promoters with our Directors**

As on the date of this Prospectus, there are no relationships between our Promoters and Directors except Deepika Jain is spouse of Sandeep Jain.

## GROUP ENTITIES

As per the requirements of SEBI (ICDR) Regulations, for the purpose of disclosure in offer documents, our Company considered companies as covered under Accounting Standard 18 issued by the Institute of Chartered Accountants of India as per the latest annual financial statements of the Company (i.e. for Fiscal Year 2017) and certain other companies as considered material by our Board pursuant to the materiality policy adopted by the Company by a board resolution dated August 31, 2017.

In terms of the materiality policy, the following companies would be considered ‘material’ and identified as ‘Group Companies’:

(i) The member of the Promoter Group with whom our Company has entered into one or more transactions that, individually or cumulatively, exceed 10% of the total revenues of our Company, in each of Fiscal Year 2013, 2014, 2015, 2016 and the 2017 (“**Relevant Period**”);

Based on the above, the following are our Group Entities:

### *Companies*

NIL

### *Proprietary concern*

NIL

### *HUFs*

Sandeep Jain HUF

### **The Details of our Group Entities**

The details of our Group Entities are provided below:

#### **Sandeep Jain HUF**

Sandeep Jain HUF is a Hindu Undivided Family incorporated on July 19, 2002 and represented by Sandeep Jain as its Karta. The office of Sandeep Jain HUF is situated at A 2/70 A2 Block, Sector 5, Rohini, Delhi-110085. The present members of Sandeep Jain HUF is Deppika Jain. The PAN Number of Sandeep Jain HUF is AAUHS3056E.

#### **Financial Performance**

The financial results of Sandeep Jain HUF for the last three financial years, preceding the date of this Prospectus are as follows:-

(Rs. in lakhs)

Particulars	For The Year Ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Total Income	5.01	-	-

#### **Related Party Transactions and sales and purchases between our Company and Group Entities**

For details of related party transactions entered into by our Company, please refer to “*Related Party Transactions*” on page 99 of this Prospectus.

#### **Common Pursuits**

Our Group Entity doesn’t conduct business similar to that conducted by our Company.

## **Other Confirmations**

### **Business interest of Group Entities in our Company**

Our Group Entity doesn't have any business or other interest in our Company. For more information on business transactions with our Group Entity and their significance on our financial performance, please refer "*Financial Statements*" on page 101 of this Prospectus.

### **Sale or Purchase between our Company and our Promoter Group Companies**

There are no sales or purchases between our Company and any Company in the Promoter Group and the Group Entity except as stated under the titled "*Related party transactions*" on page 99 in this Prospectus exceeding 10% of the sales or purchases of our Company.

### **Interest in promotion of Our Company**

Our Group Entity was not interested in the promotion of our Company.

### **Interest in the property of Our Company**

Our Group Entity do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this Prospectus.

### **Interest in the transaction involving acquisition of land**

Our Group Entity was not interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

Further, our Group Entity have confirmed that they have not been detained as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or currently pending against them. Our Group entity has not been (i) prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

### **Litigation**

For details relating to legal proceedings involving our Group Entity, please refer "*Outstanding Litigations and Material Developments*" on page 136 of this Prospectus.

### **Payment or Benefit to our Group Entities**

Except as stated in the "*Related Party Transactions*" on page 99 of this Prospectus, there has been no payment of benefits to our Group Entity during the two years prior to the filing of this Prospectus.

## **Other Confirmations**

As on the date of this Prospectus, none of the Group Companies: (i) are listed on any stock exchange; (ii) have completed any public or rights issue since the date of its incorporation; (iii) have become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 in India; (iv) has received any winding up petition accepted by a court; (v) have become defunct; (vi) have made an application to the relevant registrar of companies (in India), for striking off its name.

### **Disclosures Pertaining to Willful Defaulters**

Our Company, our Promoters, Group Entities and/or our Directors, have not been declared as willful defaulters by the RBI or any bank or financial institution or consortium thereof. Further, our Company, our Promoters, Group Entities and/or our Directors, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI. No disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoters or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

## **RELATED PARTY TRANSACTIONS**

For details of related party transactions during the last five Fiscal Years being fiscal 2017, 2016, 2015, 2014 and 2013 and for the period ended July 31, 2017 as per the requirements under Accounting Standard 18 “Related Party Disclosures” issued by the Institute of Chartered Accountants of India and as reported in the Restated Financial Statements, please refer “*Financial Statements*” on page 101 of this Prospectus.

## **DIVIDEND POLICY**

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our shareholders at their discretion, subject to the provision of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by a number of other factors, including, restrictive covenants under the loan or financing documents we may enter into from time to time. For further details on restrictive covenants, please refer “Financial Indebtedness” on page 127 of this Prospectus. Our Company has no formal dividend policy. Our Board may also, from time to time, pay interim dividends.

Our Company has not declared any dividends during the last five financial years.

**SECTION V- FINANCIAL STATEMENTS**  
**FINANCIAL STATEMENTS AS RESTATED**

**Independent Auditor's Report on Restated Financial Statements**

To  
The Board of Directors  
**Lorenzini Apparels Limited**  
TA 168 & 187 Ground Floor,  
Gali No. 2, Tuglakabad Extn New  
Delhi-110019

Dear Sir,

1. We have examined the attached restated summary statement of assets and liabilities of **Lorenzini Apparels Limited**, (hereinafter referred to as "**the Company**") as on July 31 2017, March 31, 2017, 2016, 2015, 2014 and 2013 restated summary statement of profit and loss and restated summary statement of cash flows for the period ended on July 31, 2017 and for the year ended on March 31, 2017, 2016, 2015, 2014 and 2013 (collectively referred to as the "**restated summary statements**" or "**restated financial statements**") annexed to this report and initialled by us for identification purposes. These restated financial statements have been prepared by the management of the Company and approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) on SME Platform of Bombay Stock Exchange ("**BSE**").
2. These restated summary statements have been prepared in accordance with the requirements of:
  - (i) sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**ICDR Regulations**") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI**")
3. We have examined such restated financial statements taking into consideration:
  - (i) The terms of reference to our engagement letter with the Merchant Banker dated September 15, 2017 requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of Bombay Stock Exchange ("**IPO**" or "**SME IPO**"); and
  - (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
4. The restated financial statements of the Company have been extracted by the management from the audited financial statements of the Company for the period ended on July 31 2017 and for the year ended March 31 2017, 2016, 2015, 2014 and 2013.
5. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - (i) The "**restated statement of asset and liabilities**" of the Company as on July 31, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
  - (ii) The "**restated statement of profit and loss**" of the Company for the period ended on July 31, 2017 and for the year ended on March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial

statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.

- (iii) The “**restated statement of cash flows**” of the Company for the period ended on July 31, 2017 and for the year ended on March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.
  - (iv) As per Accounting Standard- 15: Employee Benefits issued by the Institute of Chartered Accountants of India, Company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, company has not provided for gratuity liability in the financials.
6. Based on our examination, we are of the opinion that the restated financial statements have been prepared:
- a) Using consistent accounting policies for all the reporting periods.
  - b) Adjustments for prior period and other material amounts in the respective financial years to which they relate.
  - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
  - d) There are no audit qualifications in the audit reports issued by the statutory auditor for the period ended on July 31, 2017 and for the year ended March 31, 2017, 2016, 2015, 2014 and 2013 which would require adjustments in this restated financial statements of the Company.
7. Audit for the period ended on July 31 2017 and year ended on March 31 2017 was conducted by M/s S C Verma & Associates and for the year ended March 31, 2016, 2015, 2014 and 2013 was conducted by M/s. J Mehta & Co. The financial report included for these period is based solely on the report submitted by them. Further financial statements for period/fiscal ended on July 31, 2017 and March 31, 2017 have been re-audited by us as per the relevant guidelines.
8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period ended on July 31, 2017 and for the year ended on March 31, 2017, 2016, 2015, 2014 and 2013 proposed to be included in the Draft Prospectus / Prospectus (“**Offer Document**”).

**Annexure to restated financial statements of the Company:-**

- 1. Summary statement of assets and liabilities, as restated as appearing in ANNEXURE I;
- 2. Summary statement of profit and loss, as restated as appearing in ANNEXURE II;
- 3. Summary statement of cash flow as restated as appearing in ANNEXURE III;
- 4. Significant accounting policies as restated as appearing in ANNEXURE IV;
- 5. Details of share capital as restated as appearing in ANNEXURE V to this report;
- 6. Details of reserves and surplus as restated as appearing in ANNEXURE VI to this report;
- 7. Details of long term borrowings as restated as appearing in ANNEXURE VII to this report;
- 8. Details of Other Long Term Liabilities as restated as per ANNEXURE VIII to this report
- 9. Details of deferred tax asset/liability as restated as per ANNEXURE IX to this report;
- 10. Details of short term borrowings as restated as appearing in ANNEXURE X to this report;
- 11. Details of trade payables as restated as appearing in ANNEXURE XI to this report;
- 12. Details of other current liabilities as restated as appearing in ANNEXURE XII to this report;
- 13. Details of Short Term Provisions as appearing in ANNEXURE XIII to this report
- 14. Details of fixed assets as restated as appearing in ANNEXURE XIV to this report;



15. Details of Long Term Loans and advances as restated as appearing in ANNEXURE XV to this report;
  16. Details of inventories as restated as appearing in ANNEXURE XVI to this report;
  17. Details of trade receivables as restated as appearing in ANNEXURE XVII to this report;
  18. Details of cash & cash equivalents as restated as appearing in ANNEXURE XVIII to this report;
  19. Details of short term loans & advances as restated as appearing in ANNEXURE XIX to this report;
  20. Details of other Current assets as restated as appearing in ANNEXURE XX to this report;
  21. Details of revenue from operations as restated as appearing in ANNEXURE XXI to this report;
  22. Details of other income as restated as appearing in ANNEXURE XXII to this report;
  23. Details of related party transactions as restated as appearing in ANNEXURE XXIII to this report;
  24. Summary of significant accounting ratios as restated as appearing in ANNEXURE XXIV to this report,
  25. Capitalization Statement as at July 31, 2017 as restated as appearing in ANNEXURE XXV to this report;
  26. Statement of tax shelters as restated as appearing in ANNEXURE XXVI to this report;
9. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of chartered accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
  10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  11. In our opinion, the above financial information contained in Annexure I to XXVI of this report read with the respective significant accounting policies and notes to restated summary statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
  12. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For PKJ and Co.**  
**Chartered Accountants**  
**Firm Registration no: 124115W**

**CA Rishabh Jain**  
**Partner**  
**Membership No. 176309**  
**January 18, 2018**

**ANNEXURE-I - SUMMARY STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

*(Rs. In Lakhs)*

Sr · No.	Particulars	As at July 31, 2017	As at March 31,				
			2017	2016	2015	2014	2013
	<b>EQUITY AND LIABILITIES</b>						
<b>1)</b>	<b><u>Shareholders' Funds</u></b>						
	a. Share Capital	566.89	228.29	1.00	1.00	1.00	1.00
	b. Reserves & Surplus	51.53	76.20	41.29	45.18	41.58	29.68
<b>2)</b>	<b><u>Share Application Money Pending Allotment</u></b>	-	-	-	-	4.00	-
<b>3)</b>	<b><u>Non-Current Liabilities</u></b>						
	(a) Long-Term Borrowings	79.66	81.65	104.53	94.15	10.99	34.14
	(b) Other Long Term Liabilities	156.50	106.00	62.00	42.00	96.00	120.00
<b>4)</b>	<b><u>Current Liabilities</u></b>						
	(a) Short-Term Borrowings	153.96	303.37	77.50	125.84	31.28	53.05
	(b) Trade Payables	424.27	550.98	194.96	218.32	166.18	302.63
	(c) Other Current Liabilities	40.32	33.84	21.93	19.15	38.95	24.22
	(d) Short-Term Provisions	20.24	14.75	9.91	11.11	26.91	77.18
	<b>T O T A L</b>	<b>1,493.37</b>	<b>1,395.06</b>	<b>513.11</b>	<b>556.75</b>	<b>416.89</b>	<b>641.90</b>
	<b>ASSETS</b>						
<b>5)</b>	<b><u>Non-Current Assets</u></b>						
	(a) Fixed Assets						
	i. Tangible Assets	308.95	290.71	313.45	301.92	142.89	131.20
	ii. Intangible Asset	0.53	0.53	0.53	0.53	0.53	0.53
	Less: Accumulated Depreciation	125.79	118.37	131.98	112.77	81.33	60.70
	<b>Net Block</b>	<b>183.68</b>	<b>172.87</b>	<b>182.00</b>	<b>189.68</b>	<b>62.09</b>	<b>71.03</b>
	(b) Non-Current Investments	-	-	-	-	-	-
	(c) Deferred Tax Assets (Net)	17.08	16.08	12.88	9.93	4.26	3.73
	(d) Long Term Loans And Advances	30.31	24.25	68.14	19.88	35.71	51.66
<b>6)</b>	<b><u>Current Assets</u></b>						
	(a) Inventories	880.09	493.52	156.56	114.24	155.76	362.73
	(b) Trade receivables	312.76	275.62	34.61	69.35	67.72	32.29
	(c) Cash and Cash Equivalents	1.89	12.28	52.90	48.75	21.19	90.15
	(d) Short-Term Loans And Advances	64.43	1.41	3.52	102.88	66.92	25.63
	(e) Other Current Assets	3.14	399.03	2.51	2.05	3.24	4.67
	<b>T O T A L</b>	<b>1,493.37</b>	<b>1,395.06</b>	<b>513.11</b>	<b>556.75</b>	<b>416.89</b>	<b>641.90</b>

**ANNEXURE-II - SUMMARY STATEMENT OF PROFIT AND LOSS AS RESTATED**

(Rs. In Lakhs)

Sr · No.	Particulars	As at July 31, 2017	As at March 31,				
			2017	2016	2015	2014	2013
<b>A</b>	<b>INCOME</b>						
	Revenue From Operations	662.57	1,643.64	1,208.20	1,412.21	1,159.71	1,316.04
	Other Income	0.57	1.25	2.60	4.21	0.001	0.08
	<b>TOTAL INCOME(A)</b>	<b>663.14</b>	<b>1,644.89</b>	<b>1,210.80</b>	<b>1,416.42</b>	<b>1,159.71</b>	<b>1,316.12</b>
<b>B</b>	<b>EXPENDITURE</b>						
	Purchase of Stock-in-trade	834.29	1,325.69	686.71	728.10	352.73	666.36
	Change of Stock-in-trade	(386.57)	(336.96)	(42.31)	41.52	206.97	(79.11)
	Employment Benefit Cost	31.03	117.99	138.91	108.56	85.40	80.82
	Finance Cost	11.36	42.52	33.46	19.60	23.02	19.44
	Other Expenses	127.64	451.42	376.90	484.97	458.82	604.07
	Depreciation	7.43	21.86	22.51	29.54	20.63	21.38
	<b>TOTAL EXPENSES(B)</b>	<b>625.18</b>	<b>1,622.52</b>	<b>1,216.17</b>	<b>1,412.28</b>	<b>1,147.57</b>	<b>1,312.95</b>
<b>C</b>	<b>Profit before exceptional, extraordinary items and tax</b>	<b>37.96</b>	<b>22.37</b>	<b>(5.37)</b>	<b>4.14</b>	<b>12.14</b>	<b>3.17</b>
<b>D</b>	Less: Exceptional items	-	-	-	-	-	-
<b>E</b>	<b>Profit before extraordinary items and tax (C-D)</b>	<b>37.96</b>	<b>22.37</b>	<b>(5.37)</b>	<b>4.14</b>	<b>12.14</b>	<b>3.17</b>
<b>F</b>	Extraordinary items	-	-	-	-	-	-
<b>G</b>	Prior period items (Net)	-	-	1.17	-	-	-
<b>H</b>	<b>Profit before Tax</b>	<b>37.96</b>	<b>22.37</b>	<b>(4.20)</b>	<b>4.14</b>	<b>12.14</b>	<b>3.17</b>
	<i>Tax expense:</i>						
	1) Income Tax Provision						
	Current Tax	11.36	10.80	1.76	5.92	0.76	9.48
	MAT Payable	-	-	-	-	1.62	-
	MAT Credit	-	-	-	-	(1.62)	-
	MAT Credit utilized	-	-	-	(1.62)	-	-
	2) Deferred Tax	(1.00)	(3.20)	(2.96)	(5.66)	(0.53)	(1.59)
<b>I</b>	<b>Total Tax Expense</b>	<b>10.36</b>	<b>7.60</b>	<b>(1.20)</b>	<b>(1.36)</b>	<b>0.23</b>	<b>7.89</b>
<b>J</b>	<b>Profit for the Year (H-I)</b>	<b>27.60</b>	<b>14.76</b>	<b>(3.01)</b>	<b>5.50</b>	<b>11.91</b>	<b>(4.72)</b>

**ANNEXURE-III - SUMMARY STATEMENT OF CASH FLOW AS RESTATED**

*(Rs. In Lakhs)*

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Cash Flow From Operating Activities:</b>						
Net Profit before tax as per Profit And Loss A/c	37.96	22.37	(4.20)	4.14	12.14	3.17
<b>Adjustments for:</b>						
Depreciation & Amortisation Expense	7.43	21.86	22.51	29.54	20.63	21.38
Finance Cost	11.36	42.52	33.46	19.60	23.02	19.44
Interest Income	-	-	-	(4.21)	-	-
<b>Operating Profit Before Working Capital Changes</b>	<b>56.75</b>	<b>86.75</b>	<b>51.77</b>	<b>49.06</b>	<b>55.79</b>	<b>43.99</b>
Adjusted for (Increase)/Decrease in:						
Short term provision	5.49	4.84	(1.20)	(15.81)	(50.26)	5.10
Trade Receivables	(37.15)	(241.01)	34.74	(1.62)	(35.43)	(7.30)
Loans & Advances	(63.01)	2.10	99.37	(35.97)	(41.28)	20.48
Inventories	(386.57)	(336.96)	(42.31)	41.52	206.97	(79.11)
Other current assets	395.89	(396.52)	(0.46)	1.19	1.43	-
Trade Payables	(126.71)	356.02	(23.36)	52.14	(136.45)	108.65
Other Current Liabilities	6.48	11.90	2.78	(19.80)	14.73	16.36
<b>Cash Generated From Operations</b>	<b>(148.82)</b>	<b>(512.87)</b>	<b>121.31</b>	<b>70.71</b>	<b>15.49</b>	<b>108.16</b>
Appropriation of Profit	-	-	(0.89)	(1.90)	-	-
Net Income Tax paid/refunded	(11.36)	(10.80)	(1.76)	(4.30)	(0.76)	(9.48)
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>(160.18)</b>	<b>(523.67)</b>	<b>118.67</b>	<b>64.51</b>	<b>14.73</b>	<b>98.68</b>
<b>Cash Flow From Investing Activities:</b>						
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	(18.24)	(12.73)	(14.83)	(157.13)	(11.69)	(19.87)
Interest on FD	-	-	-	4.21	-	-
Capital work in process	-	-	-	-	-	-
Net (Increase)/Decrease in Long Term Loans & Advances	(6.06)	43.89	(48.26)	15.83	15.95	23.57
Net (Increase)/Decrease in other Non-current assets	-	-	-	-	-	-
Proceeds From Sale or Purchase Of Investments	-	-	-	-	-	-
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(24.29)</b>	<b>31.15</b>	<b>(63.08)</b>	<b>(137.09)</b>	<b>4.26</b>	<b>3.70</b>
<b>Cash Flow from Financing Activities:</b>						
Proceeds From issue of Share Capital	286.33	247.43	-	-	-	-
Net Increase/(Decrease) in Long Term Borrowings	(1.99)	(22.88)	10.37	83.16	(23.15)	9.34
Net Increase/(Decrease) in Short Term Borrowings	(149.41)	225.87	(48.34)	94.57	(21.78)	-
Net Increase/(Decrease) in Other Long Term Liabilities	50.50	44.00	20.00	(54.00)	(24.00)	(6.75)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Net Increase/(Decrease) in Other Share Application Money	-	-	-	(4.00)	4.00	-
Finance Cost	(11.36)	(42.52)	(33.46)	(19.60)	(23.02)	(19.44)
<b>Net Cash Flow from/(used in) Financing Activities ( C)</b>	<b>174.08</b>	<b>451.90</b>	<b>(51.43)</b>	<b>100.13</b>	<b>(87.95)</b>	<b>(16.85)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(10.40)</b>	<b>(40.61)</b>	<b>4.15</b>	<b>27.55</b>	<b>(68.96)</b>	<b>85.53</b>
<b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>12.28</b>	<b>52.90</b>	<b>48.75</b>	<b>21.19</b>	<b>90.15</b>	<b>4.63</b>
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>1.89</b>	<b>12.28</b>	<b>52.90</b>	<b>48.75</b>	<b>21.19</b>	<b>90.15</b>

#### ANNEXURE IV (A) -NOTES TO BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

##### Note1: SIGNIFICANT ACCOUNTING POLICIES

###### a) Basis of preparation of Financial Statements:

The restated summary statement of assets and liabilities of the Company as at July 31, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 and the related restated summary statement of profits and loss and restated summary statement of cash flows for the period ended on July 31, 2017 and year ended March 31, 2017, 2016, 2015, 2014 and 2013 (herein collectively referred to as ('restated summary statements')) have been compiled by the management from the audited financial statements of the Company for the period ended on July 31, 2017 and year ended March 31, 2017, 2016, 2015, 2014 and 2013, approved by the Board of Directors of the Company. The restated summary statements have been prepared to comply in all material respects with the provisions of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014; The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("ICDR Regulations") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("SEBI") and Guidance note on reports in Companies Prospectus (Revised). The restated summary statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of BSE in connection with its proposed Initial public offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated summary statements.

###### b) Use of Estimates :

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period. Differences between the actual result and estimates are recognized in periods in which the results are known/ materialized.

###### (a) Fixed Assets:

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account.

###### (b) Depreciation:

Depreciation on fixed assets for the year ended on March 31, 2014 and 2013 is calculated using the rates prescribed under Schedule XIV of the Companies Act, 1956. Pursuant to the enactment of Companies Act, 2013 the Company has, effective from April 1, 2014 reworked depreciation on straight line basis over the useful life of fixed assets as stipulated by Schedule II of Companies Act, 2013

**(c) Revenue Recognition:**

Sale has been recognised as and when significant risk and reward of ownership has been transferred to the buyer Interest income is recognised on actual basis, as and when incurred / received.

**(d) Inventories:**

Items of Inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprise of cost of purchase, cost of conversion and other costs including manufacturing overhead incurred in bringing them to their respective present location and condition. Cost of raw materials, trading and other products are determined on cost.

**(e) Provision for Current & Deferred Tax**

Provision for Current Tax is made after taking into consideration benefits admissible as per the provision of Income Tax Act, 1961. Deferred tax assets / liabilities resulting from timing difference have been recognised at the rates enacted or substantially enacted at the balance sheet date. Deferred tax assets is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

**(f) Borrowing Cost:**

Borrowing costs are charged to the Statement of Profit and Loss except that is attributable to the acquisition and construction of qualifying assets is capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

**(g) Valuation of Stock:**

As per the consistent practice followed by the Company sales, purchase, opening stock and closing stock are valued at cost or net realizable value whichever is lower.

**(h) Investments**

Current investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

**(i) Contingent Liabilities / Provisions**

Provision involving substantial degree of estimation in measurement is recognised when there is present obligation as a result of past events and it is probable that there will be outflow of resources.

**ANNEXURE – IV (B) - NOTES ON RECONCILIATION OF RESTATED PROFITS**

Adjustments for	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Net Profit/(Loss) after Tax as per Audited Profit & Loss Account	16.20	21.15	2.33	6.01	8.26	(3.75)
<b>Adjustments for:</b>						
Short/excess Provision Of tax	13.35	2.03	-	0.36	4.01	1.02
Provision for Interest on IT	-	(1.94)	(0.13)	(0.50)	(0.36)	(2.00)
Deferred Tax	0.14	2.16	2.33	0.17	-	-
Depreciation	(2.27)	(7.17)	(7.54)	(0.54)	-	-
Finance Cost	0.19	(1.46)	-	-	-	-
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>27.60</b>	<b>14.76</b>	<b>(3.01)</b>	<b>5.50</b>	<b>11.91</b>	<b>(4.72)</b>

**Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.**

**Adjustments having impact on Profit**

**Provision for Tax**– Profit after tax has been change due to changes in Re-statement financial on Tax provision amount.

**Provision for Interest on IT**- Interest provision made for Income tax accordingly profit re-stated

**Adjustments having no impact on Profit**

**Material Regrouping**

W.e.f, April 1 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. Revised Schedule VI notified under the Companies Act, 1956 became applicable to the Company from April 1, 2011, for preparation and presentation of its financial statements. The adoption of Schedule III / Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

There is no significant impact on the presentation and disclosures made in the financial statements on adoption of Schedule III as compared to Revised Schedule VI. Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

**ANNEXURE –V - DETAILS OF SHARE CAPITAL AS RESTATED**

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Share Capital :</b>						
<b>Authorised:</b>						
Equity Shares of Rs. 10 each	1,000.00	320.00	20.00	20.00	20.00	20.00
<b>Issued, Subscribed and Paid Up</b>						
Equity Shares of Rs. 10 each	566.89	228.29	1.00	1.00	1.00	1.00

**Reconciliation of number of shares outstanding at the end of the year:**

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Equity Shares at the beginning of the year	2,282,850	10,000	10,000	10,000	10,000	10,000
Add: Shares issued during the year	2,701,211	1,832,850	-	-	-	-
Add: Bonus shares issued during the year	684,855	440,000	-	-	-	-

**Details of Shareholders holding more than 5% of the aggregate shares of the company:**

Particulars	As at July 31, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No of Shares Held	% of Holding	No of Shares Held	% of Holding	No of Shares Held	% of Holding	No of Shares Held	% of Holding	No of Shares Held	% of Holding	No of Shares Held	% of Holding
Sandeep Jain	5,058,761	89.24%	1,812,850	79%	1,000	10%	1,000	10%	6,500	65%	6,500	65%
Deepika Jain	609,505	10.75%	468,850	21%	9,000	90%	9,000	90%	3,000	30%	3,000	30%

**ANNEXURE –VI - DETAILS OF RESERVES AND SURPLUS AS RESTATED**

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Securities Premium</b>						
Opening Balance	64.15	-	-	-	-	-
Add: Premium on shares issued during the year	16.21	64.15	-	-	-	-
Less: Utilized during the year for: Issuing Bonus shares	(64.15)	-	-	-	-	-
Closing Balance	16.21	64.15	-	-	-	-
<b>Profit &amp; Loss Account</b>						
<b>Surplus</b>						
Opening balance	12.05	41.29	45.18	41.58	29.68	34.40
(+) Net Profit/(Net Loss) For the current year	27.60	14.76	(3.01)	5.50	11.91	(4.72)
Amount Available for Appropriation	39.65	56.05	42.18	47.08	41.58	29.68
Appropriation	4.34	44.00	0.89	1.90	-	-
Closing balance of Surplus	35.32	12.05	41.29	45.18	41.58	29.68
<b>TOTAL</b>	<b>51.53</b>	<b>76.20</b>	<b>41.29</b>	<b>45.18</b>	<b>41.58</b>	<b>29.68</b>

**ANNEXURE VII - DETAILS OF LONG TERM BORROWING AS RESTATED**

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>SECURED</b>						
<b>Secured Loan</b>						
IDBI Bank (OD A/c No. 109651100000143)	-	-	-	-	-	-
ICICI Bank (OD A/c No. 003105001197)	-	-	-	-	-	-
ICICI Bank (Car Loan A/c)	-	-	-	-	3.86	11.28
ICICI Bank (Loan A/c LADEL0002612946)	-	-	-	-	-	4.01
ICICI Bank (Used Car Loan A/c LUDEL00025819204)	-	-	-	-	0.43	-



Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
NBFC - Secured Loans (MORTGAGE AGAINST Immovable property)	70.94	73.60	87.83	94.15	-	-
ICICI Bank (Car Loan 8387 and 0147) secured	8.72	8.05	16.70	-	-	-
Security deposits received from Franchisees	-	-	-	-	-	-
<b>UNSECURED</b>						
Loan from related parties	-	-	-	-	6.70	6.70
Loan from Others						
-Barclays Bank (PLC Loan)	-	-	-	-	-	5.53
Others	-	-	-	-	-	6.62
<b>TOTAL</b>	<b>79.66</b>	<b>81.65</b>	<b>104.53</b>	<b>94.15</b>	<b>10.99</b>	<b>34.14</b>

#### Nature of Security and terms of repayment for Long term borrowings

- Collaterally secured against credit card swipes of the company on EDC machines of IDBI Bank
- Collaterally secured against credit card swipes of the company on EDC machines of ICICI Bank
- ICICI Bank Car Loan is Repayable in 48 Installments of Rs.69149/- each
- ICICI Bank Car Loan (A/c LADEL0002612946) is Repayable in 36 Installments of Rs.38665/- each
- ICICI Bank Car Loan (A/c LUDEL00025819204) is Repayable in 24 Installments of Rs.44057/- each
- On Hypothecation of Vehicles from Bajaj Finance Ltd
- Unsecured loan from Barclays bank is repayable in 36 installments of Rs. 115688/-.

#### ANNEXURE –VIII - DETAILS OF OTHER LONG-TERM LIABILITIES AS RESTATED

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Security deposits received from Franchisees	156.50	106.00	62.00	42.00	96.00	120.00
<b>TOTAL</b>	<b>156.50</b>	<b>106.00</b>	<b>62.00</b>	<b>42.00</b>	<b>96.00</b>	<b>120.00</b>

#### ANNEXURE IX - DETAILS OF DEFERRED TAX ASSET/(LIABILITY) AS RESTATED

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Deferred Tax Asset</b>						
Opening Balance	16.08	12.88	9.93	4.26	3.73	2.14
ADD: Credit/Charge during the year on account of Depreciation & Disallowances	1.00	3.20	2.96	5.66	0.53	1.59
<b>TOTAL</b>	<b>17.08</b>	<b>16.08</b>	<b>12.88</b>	<b>9.93</b>	<b>4.26</b>	<b>3.73</b>

#### ANNEXURE X - DETAILS OF SHORT TERM BORROWING AS RESTATED

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Secured</b>						
Secured Loans						
IDBI Bank (OD A/c No. 109651100000143)	37.92	26.56	30.42	38.16	21.56	48.46
ICICI Bank (OD A/c No. 003105001197)	3.32	3.50	3.80	3.83	3.09	3.86

ICICI Bank - Book Overdrawn (C/A No. 102305000641)	-	-	-	3.78	-	0.73
Syndicate Bank (OD A/C No.925)	56.84	-	-	-	-	-
<b>Unsecured</b>						
From Related Parties	4.40	186.20	-	6.70	-	-
From NBFC	51.49	87.12	43.28	73.37	6.62	-
<b>TOTAL</b>	<b>153.96</b>	<b>303.37</b>	<b>77.50</b>	<b>125.84</b>	<b>31.28</b>	<b>53.05</b>

**Nature of Security and terms of repayment for Long term borrowings**

- Collaterally secured against credit card swipes of the company on EDC machines of IDBI Bank
- Collaterally secured against credit card swipes of the company on EDC machines of ICICI Bank

**ANNEXURE XI - DETAILS OF TRADE PAYABLES AS RESTATED**

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Other than Acceptances	424.27	550.98	194.96	218.32	166.18	302.63
<b>TOTAL</b>	<b>424.27</b>	<b>550.98</b>	<b>194.96</b>	<b>218.32</b>	<b>166.18</b>	<b>302.63</b>

**ANNEXURE XII - DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED**

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Current Maturities of long term Borrowing: ICICI Bank - Book Overdrawn (C/A No. 102305000641)	14.70	19.18	14.06	9.72	21.76	22.36
Payable to Directors	4.20	-	3.50	3.40	1.81	1.86
Expenses payable	-	-	-	-	-	-
Advances from Parties	-	-	0.03	-	15.37	-
Duties & Taxes	20.15	13.19	4.34	6.02	-	-
Interest Accrued But not Due	1.27	1.46	-	-	-	-
<b>TOTAL</b>	<b>40.32</b>	<b>33.84</b>	<b>21.93</b>	<b>19.15</b>	<b>38.95</b>	<b>24.22</b>

**ANNEXURE -XIII - DETAILS OF SHORT TERM PROVISION AS RESTATED**

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Provision for current tax	11.36	10.80	1.76	5.56	0.76	9.48
Provision for Interest on current tax	1.94	1.94	0.13	0.50	0.36	2.00
MAT payable	-	-	-	-	1.62	-
Provision for Expenses	6.94	2.00	8.02	5.04	24.17	65.70
Provision - Others	-	-	-	-	-	-
<b>TOTAL</b>	<b>20.24</b>	<b>14.75</b>	<b>9.91</b>	<b>11.11</b>	<b>26.91</b>	<b>77.18</b>

**ANNEXURE XIV - DETAILS OF FIXED ASSETS AS RESTATED**

(Rs. In Lakhs)

Fixed assets	Gross block				Depreciation				Net block	
	AS AT 01.04. 2012	Additions	Deductions	AS AT 31.03. 2013	Upto 01.04. 2012	For the year	Deductions / adjustments	Upto 31.03. 2013	AS AT 31.03. 2013	AS AT 31.03. 2012
<b>Tangible Assets</b>										
<b>Vehicle</b>										
Car I10	3.88	-	-	3.88	1.81	0.54	-	2.35	1.54	2.07
Car BMW	38.60	-	-	38.60	4.37	8.86	-	13.23	25.37	34.23
Car Cruze	-	14.81	-	14.81	-	3.83	-	3.83	10.98	-
<b>Furniture &amp; Fixtures</b>										
Furniture	33.36	0.93	-	34.29	17.23	2.99	-	20.23	14.06	16.12
<b>Office equipments</b>										
Office equipments	0.04	-	-	0.04	0.01	0.00	-	0.02	0.02	0.02
Fire Extinguisher	0.06	-	-	0.06	0.02	0.00	-	0.03	0.03	0.04
Air Conditioner	7.42	0.50	-	7.92	1.68	0.87	-	2.55	5.37	5.74
Dummy (Statute)	2.35	-	-	2.35	0.81	0.21	-	1.03	1.32	1.54
EPABX	0.17	-	-	0.17	0.07	0.01	-	0.08	0.08	0.10
Invertor	2.06	-	-	2.06	0.75	0.18	-	0.94	1.12	1.30
Water Filter	0.13	-	-	0.13	0.05	0.01	-	0.06	0.07	0.08
Mobile Phone	1.09	0.93	-	2.02	0.30	0.16	-	0.46	1.56	0.79
CCTV Camera	3.35	-	-	3.35	0.76	0.36	-	1.12	2.23	2.59
Generator	2.65	-	-	2.65	0.80	0.26	-	1.06	1.59	1.85
Refrigerator	0.07	-	-	0.07	0.02	0.00	-	0.03	0.05	0.05
<b>Computer Equipments</b>										
Computer Equipm ent	14.07	0.07	-	14.14	10.14	1.58	-	11.72	2.42	3.93
Comput er	2.05	2.62	-	4.68	0.28	1.45	-	1.73	2.95	1.78

Fixed assets	Gross block				Depreciation				Net block	
	AS AT 01.04. 2012	Additions	Deductions	AS AT 31.03. 2013	Upto 01.04. 2012	For the year	Deductions / adjustments	Upto 31.03. 2013	AS AT 31.03. 2013	AS AT 31.03. 2012
Software										
<b>Total Tangible Assets</b>	111.33	19.87	-	131.20	39.10	21.34	-	60.44	70.76	72.23
<b>Intangible Assets</b>										
Trade Mark	0.53	-	-	0.53	0.22	0.04	-	0.26	0.26	0.31
<b>Total Intangible Assets</b>	<b>0.53</b>	<b>-</b>	<b>-</b>	<b>0.53</b>	<b>0.22</b>	<b>0.04</b>	<b>-</b>	<b>0.26</b>	<b>0.26</b>	<b>0.31</b>
<b>TOTAL</b>	<b>111.86</b>	<b>19.87</b>	<b>-</b>	<b>131.73</b>	<b>39.32</b>	<b>21.38</b>	<b>-</b>	<b>60.70</b>	<b>71.03</b>	<b>72.54</b>

Fixed assets	Gross block				Depreciation				Net block	
	AS AT 01.04. 2013	Additions	Deductions	AS AT 31.03. 2014	Upto 01.04. 2013	For the year	Deductions / adjustments	Upto 31.03. 2014	AS AT 31.03. 2014	AS AT 31.03. 2013
<b>Tangible Assets</b>										
<b>Vehicle</b>										
Car I10	3.88	-	-	3.88	2.35	0.40	-	2.74	1.14	1.54
Car BMW	38.60	-	-	38.60	13.23	6.57	-	19.80	18.80	25.37
Car Cruze	14.81	-	-	14.81	3.83	2.84	-	6.68	8.14	10.98
<b>Furniture &amp; Fixtures</b>										
Furniture	34.29	-	-	34.29	20.23	2.55	-	22.77	11.52	14.06
<b>Office equipments</b>										
Office equipments	0.04	-	-	0.04	0.02	-	-	0.02	0.02	0.02
Fire Extinguisher	0.06	-	-	0.06	0.03	-	-	0.03	0.03	0.03
Air Conditioner	7.92	0.41	-	8.32	2.55	0.75	-	3.29	5.03	5.37
Dummy (Statute)	2.35	-	-	2.35	1.03	0.18	-	1.21	1.14	1.32
EPABX	0.17	-	-	0.17	0.08	0.01	-	0.09	0.07	0.08

Fixed assets	Gross block				Depreciation				Net block	
	AS AT 01.04. 2013	Additions	Deductions	AS AT 31.03. 2014	Upto 01.04. 2013	For the year	Deductions / adjustments	Upto 31.03. 2014	AS AT 31.03. 2014	AS AT 31.03. 2013
Inventor	2.06	-	-	2.06	0.94	0.16	-	1.09	0.97	1.12
Water Filter	0.13	-	-	0.13	0.06	0.01	-	0.07	0.06	0.07
Mobile Phone	2.02	-	-	2.02	0.46	0.22	-	0.67	1.34	1.56
CCTV Camera	3.35	-	-	3.35	1.12	0.31	-	1.43	1.92	2.23
Generator	2.65	0.79	-	3.44	1.06	0.32	-	1.38	2.05	1.59
Refrigerator	0.07	-	-	0.07	0.03	0.01	-	0.03	0.04	0.05
<b>Computer Equipments</b>										
Computer Equipment	14.14	-	-	14.14	11.72	0.97	-	12.69	1.45	2.42
Computer Software	4.68	10.50	-	15.18	1.73	5.30	-	7.03	8.15	2.95
<b>Total Tangible Assets</b>	<b>131.20</b>	<b>11.69</b>	<b>-</b>	<b>142.89</b>	<b>60.44</b>	<b>20.59</b>	<b>-</b>	<b>81.03</b>	<b>61.86</b>	<b>70.76</b>
<b>Intangible Assets</b>										
Trade Mark	0.53	-	-	0.53	0.26	0.04	-	0.30	0.23	0.26
<b>Total Intangible Assets</b>	<b>0.53</b>	<b>-</b>	<b>-</b>	<b>0.53</b>	<b>0.26</b>	<b>0.04</b>	<b>-</b>	<b>0.30</b>	<b>0.23</b>	<b>0.26</b>
<b>TOTAL</b>	<b>131.73</b>	<b>11.69</b>	<b>-</b>	<b>143.42</b>	<b>60.70</b>	<b>20.63</b>	<b>-</b>	<b>81.33</b>	<b>62.09</b>	<b>71.03</b>

Fixed assets	Gross block				Depreciation				Net block	
	AS AT 01.04. 2014	Additions	Deductions	AS AT 31.03. 2015	Upto 01.04. 2014	For the year	Deductions / adjustments	Upto 31.03. 2015	AS AT 31.03. 2015	AS AT 31.03. 2014
<b>Tangible Assets</b>										
Building-Shop 104, Plot 2, Sector 25, Block 1, Noida	-	155.31	-	155.31	-	0.54	-	0.54	154.77	-

Fixed assets	Gross block				Depreciation				Net block	
	AS AT 01.04. 2014	Additions	Deductions	AS AT 31.03. 2015	Upto 01.04. 2014	For the year	Deductions / adjustments	Upto 31.03. 2015	AS AT 31.03. 2015	AS AT 31.03. 2014
<b>Vehicle</b>										
Car I10	3.88	-	-	3.88	2.74	0.42	-	3.16	0.72	1.14
Car BMW	38.60	-	-	38.60	19.80	6.31	-	26.11	12.48	18.80
Car Cruze	14.81	-	-	14.81	6.68	2.68	-	9.36	5.46	8.14
<b>Furniture &amp; Fixtures</b>										
Furniture	34.29	2.07	-	36.36	22.77	4.23	(0.02)	27.02	9.34	11.52
<b>Office equipments</b>										
Office equipments	0.04	-	-	0.04	0.02	0.01	-	0.04	0.00	0.02
Fire Extinguisher	0.06	-	-	0.06	0.03	0.01	(0.01)	0.06	0.00	0.03
Air Conditioner	8.32	0.35	-	8.67	3.29	3.55	(0.34)	7.19	1.48	5.03
Dummy (Statute)	2.35	-	-	2.35	1.21	0.53	(0.45)	2.19	0.16	1.14
EPABX	0.17	-	-	0.17	0.09	-	(0.06)	0.16	0.00	0.07
Invertor	2.06	-	-	2.06	1.09	0.42	(0.44)	1.96	0.10	0.97
Water Filter	0.13	-	-	0.13	0.07	-	(0.05)	0.12	0.00	0.06
Mobile Phone	2.02	0.09	-	2.11	0.67	0.75	(0.17)	1.58	0.52	1.34
CCTV Camera	3.35	1.21	-	4.56	1.43	2.01	-	3.44	1.12	1.92
Generator	3.44	-	-	3.44	1.38	1.58	-	2.96	0.47	2.05
Refrigerator	0.07	-	-	0.07	0.03	0.04	-	0.07	-	0.04
<b>Computer Equipments</b>										
Computer Equipment	14.14	-	-	14.14	12.69	0.39	(0.34)	13.41	0.73	1.45
Computer Software	15.18	-	-	15.18	7.03	5.98	-	13.01	2.17	8.15

Fixed assets	Gross block				Depreciation				Net block	
	AS AT 01.04. 2014	Additions	Deductions	AS AT 31.03. 2015	Upto 01.04. 2014	For the year	Deductions / adjustments	Upto 31.03. 2015	AS AT 31.03. 2015	AS AT 31.03. 2014
<b>Total Tangible Assets</b>	142.89	159.03	-	301.92	81.03	29.45	(1.90)	112.38	189.54	61.86
<b>Intangible Assets</b>										
Trade Mark	0.53	-	-	0.53	0.30	0.09	-	0.39	0.14	0.23
<b>Total Intangible Assets</b>	<b>0.53</b>	<b>-</b>	<b>-</b>	<b>0.53</b>	<b>0.30</b>	<b>0.09</b>	<b>-</b>	<b>0.39</b>	<b>0.14</b>	<b>0.23</b>
<b>TOTAL</b>	<b>143.42</b>	<b>159.03</b>	<b>-</b>	<b>302.45</b>	<b>81.33</b>	<b>29.54</b>	<b>(1.90)</b>	<b>112.77</b>	<b>189.68</b>	<b>62.09</b>

Fixed assets	Gross block				Depreciation				Net block	
	AS AT 01.04. 2015	Additions	Deductions	AS AT 31.03. 2016	Upto 01.04. 2015	For the year	Deductions / adjustments	Upto 31.03. 2016	AS AT 31.03. 2016	AS AT 31.03. 2015
<b>Tangible Assets</b>										
Building-Shop 104, Plot 2, Sector 25, Block 1, Noida	155.31	-	-	155.31	0.54	7.54	-	8.08	147.23	154.77
<b>Vehicle</b>										
Car	57.29	10.35	3.88	63.76	38.63	7.64	3.30	42.97	20.79	18.66
<b>Furniture &amp; Fixtures</b>										
Furniture	36.36	0.63	-	36.99	27.02	3.08	-	30.10	6.89	9.34
<b>Office equipments</b>										
Office equipments	0.04	-	-	0.04	0.04	-	-	0.04	-	-
Fire Extinguisher	0.06	-	-	0.06	0.06	-	-	0.06	-	-
Air Conditioner	8.67	-	-	8.67	7.19	0.77	-	7.96	0.71	1.48

Fixed assets	Gross block				Depreciation				Net block	
	AS AT 01.04. 2015	Additions	Deductions	AS AT 31.03. 2016	Upto 01.04. 2015	For the year	Deductions / adjustments	Upto 31.03. 2016	AS AT 31.03. 2016	AS AT 31.03. 2015
Dummy (Statute )	2.35	-	-	2.35	2.19	0.04	-	2.23	0.12	0.16
EPABX	0.17	-	-	0.17	0.16	-	-	0.16	0.00	0.00
Invertor	2.06	-	-	2.06	1.96	-	-	1.96	0.10	0.10
Water Filter	0.13	-	-	0.13	0.12	-	-	0.12	0.00	0.00
Mobile Phone	2.11	-	-	2.11	1.58	0.27	-	1.85	0.25	0.52
CCTV Camera	4.56	-	-	4.56	3.44	0.48	-	3.92	0.64	1.12
Generator	3.44	-	-	3.44	2.96	0.17	-	3.13	0.30	0.47
Refrigerator	0.07	0.91	-	0.98	0.07	0.10	-	0.17	0.81	-
<b>Computer Equipments</b>										
Computer Equipm ent	3.21	-	-	3.21	3.04	-	-	3.04	0.16	0.16
Comput er Softwar e	15.18	1.25	-	16.43	13.01	2.04	-	15.05	1.39	2.17
Industri al Sewing Machin e	-	1.92	-	1.92	-	0.19	-	0.19	1.73	-
Comput er Equipm ent	10.93	0.35	-	11.28	10.37	0.14	-	10.51	0.77	0.57
<b>Total Tangible Assets</b>	<b>301.92</b>	<b>15.41</b>	<b>3.88</b>	<b>313.45</b>	<b>112.38</b>	<b>22.46</b>	<b>3.30</b>	<b>131.54</b>	<b>181.91</b>	<b>189.54</b>
<b><u>Intangi ble Assets</u></b>										
Trade Mark	0.53	-	-	0.53	0.39	0.05	-	0.44	0.08	0.14
<b>Total Intangi ble Assets</b>	<b>0.53</b>	<b>-</b>	<b>-</b>	<b>0.53</b>	<b>0.39</b>	<b>0.05</b>	<b>-</b>	<b>0.44</b>	<b>0.08</b>	<b>0.14</b>
<b>TOTAL</b>	<b>302.45</b>	<b>15.41</b>	<b>3.88</b>	<b>313.97</b>	<b>112.77</b>	<b>22.51</b>	<b>3.30</b>	<b>131.98</b>	<b>181.99</b>	<b>189.68</b>



Fixed assets	Gross block				Depreciation				Net block	
	AS AT 01.04.2016	Additions	Deductions	AS AT 31.03.2017	Upto 01.04.2016	For the year	Deductions / adjustments	Upto 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
<b><u>Tangible Assets</u></b>										
Building-Shop 104, Plot 2, Sector 25, Block 1, Noida	155.31	-	-	155.31	8.08	7.17	-	15.25	140.06	147.23
Vehicle	28.29	-	-	28.29	7.50	7.52	-	15.02	13.27	20.79
Furniture & Fixtures	36.99	8.94	-	45.93	30.10	3.05	-	33.15	12.78	6.89
Office equipments	26.47	3.09	-	29.57	21.79	3.38	-	25.17	4.40	4.68
Computers	30.92	0.70	-	31.62	28.60	0.69	-	29.29	2.33	2.32
<b>Total Tangible Assets</b>	<b>277.98</b>	<b>12.73</b>	<b>-</b>	<b>290.71</b>	<b>96.07</b>	<b>21.80</b>	<b>-</b>	<b>117.87</b>	<b>172.84</b>	<b>181.91</b>
<b><u>Intangible Assets</u></b>										
Trade Mark	0.53	-	-	0.53	0.44	0.05	-	0.49	0.03	0.08
<b>Total Intangible Assets</b>	<b>0.53</b>	<b>-</b>	<b>-</b>	<b>0.53</b>	<b>0.44</b>	<b>0.05</b>	<b>-</b>	<b>0.49</b>	<b>0.03</b>	<b>0.08</b>
<b>TOTAL</b>	<b>278.50</b>	<b>12.73</b>	<b>-</b>	<b>291.24</b>	<b>96.51</b>	<b>21.86</b>	<b>-</b>	<b>118.37</b>	<b>172.87</b>	<b>181.99</b>

Fixed assets	Gross block				Depreciation				Net block	
	AS AT 01.04.2017	Additions	Deductions	AS AT 31.07.2017	Upto 01.04.2017	For the year	Deductions / adjustments	Upto 31.7.2017	AS AT 31.07.2017	AS AT 31.03.2017
<b><u>Tangible Assets</u></b>										
Building-Shop 104, Plot 2, Sector	155.31	-	-	155.31	15.25	2.27	-	17.52	137.79	140.06

Fixed assets	Gross block				Depreciation				Net block	
	AS AT 01.04.2017	Additions	Deductions	AS AT 31.07.2017	Upto 01.04.2017	For the year	Deductions / adjustments	Upto 31.7.2017	AS AT 31.07.2017	AS AT 31.03.2017
25, Block 1, Noida										
Vehicle	28.29	-	-	28.29	15.02	1.60	-	16.62	11.67	13.27
Furniture & Fixtures	45.93	12.90	-	58.83	33.15	2.23	-	35.38	23.44	12.78
Office equipments	29.57	3.76	-	33.33	25.17	0.98	-	26.15	7.18	4.40
Computers	31.62	1.57	-	33.20	29.29	0.31	-	29.60	3.60	2.33
<b>Total Tangible Assets</b>	<b>290.71</b>	<b>18.24</b>	<b>-</b>	<b>308.95</b>	<b>117.87</b>	<b>7.40</b>	<b>-</b>	<b>125.27</b>	<b>183.68</b>	<b>172.84</b>
<b>Intangible Assets</b>										
Trade Mark	0.53	-	-	0.53	0.49	0.03	-	0.53	-	0.03
<b>Total Intangible Assets</b>	<b>0.53</b>	<b>-</b>	<b>-</b>	<b>0.53</b>	<b>0.49</b>	<b>0.03</b>	<b>-</b>	<b>0.53</b>	<b>-</b>	<b>0.03</b>
<b>TOTAL</b>	<b>291.24</b>	<b>18.24</b>	<b>-</b>	<b>309.48</b>	<b>118.37</b>	<b>7.43</b>	<b>-</b>	<b>125.79</b>	<b>183.68</b>	<b>172.87</b>

**ANNEXURE –XV- DETAILS OF LONG TERM LOANS AND ADVANCES AS RESTATED**

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>Security deposit (Unsecured, considered good)</b>						
For Rent to Landlords	30.31	24.25	68.14	19.88	35.71	51.66
<b>TOTAL</b>	<b>30.31</b>	<b>24.25</b>	<b>68.14</b>	<b>19.88</b>	<b>35.71</b>	<b>51.66</b>

**ANNEXURE XVI -DETAILS OF INVENTORIES AS RESTATED**

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Stock-in-trade (Including WIP)	880.09	493.52	156.56	114.24	155.76	362.73
<b>TOTAL</b>	<b>880.09</b>	<b>493.52</b>	<b>156.56</b>	<b>114.24</b>	<b>155.76</b>	<b>362.73</b>

**ANNEXURE –XVII - DETAILS OF TRADE RECEIVABLES AS RESTATED**

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
<b>(Unsecured, considered good)</b>						
- Outstanding for a period exceeding 6 Months	8.31	6.83	3.21	-	22.76	-
- Others	304.46	268.79	31.40	69.35	44.97	32.29
<b>TOTAL</b>	<b>312.76</b>	<b>275.62</b>	<b>34.61</b>	<b>69.35</b>	<b>67.72</b>	<b>32.29</b>

**ANNEXURE-XVIII - DETAILS OF CASH AND CASH EQUIVALENTS AS RESTATED**

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Balances with Banks						
- Axis Bank (A/c No. 161010200001059)	(18.31)	6.29	0.36	2.27	0.78	0.04
- IDBI Bank (A/c No. 109102000011802)	-	-	-	0.05	0.05	0.05
- IDBI Bank (A/c No. 109102000013527)	-	-	0.02	0.59	0.45	0.03
- ICICI Bank (A/c No. 003105000641)	-	-	0.73	-	9.49	-
Cheques, Drafts on hand	9.50	-	-	-	-	-
Cash in Hand	10.70	6.00	51.79	45.83	10.43	90.03
<b>TOTAL</b>	<b>1.89</b>	<b>12.28</b>	<b>52.90</b>	<b>48.75</b>	<b>21.19</b>	<b>90.15</b>

**ANNEXURE XIX - DETAILS OF SHORT TERM LOANS AND ADVANCES AS RESTATED**

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Advance to related parties	-	-	-	53.86	35.59	19.34
Others (Unsecured, considered good)						
- Advance to staff	0.70	1.17	0.48	0.51	0.48	0.60
- Advance to Suppliers	62.36	-	2.80	48.51	30.07	4.92
- Advance to UP Vat Dept - under appeal	1.37	0.24	0.24	-	0.78	0.78
- Prepaid Expenses	-	-	-	-	-	-
- Income tax/ TDS Refundable (2008-09)	-	-	-	-	-	-
Unsecured advance to parties	-	-	-	-	-	-
TDS Receivable	-	-	-	-	-	-
<b>TOTAL</b>	<b>64.43</b>	<b>1.41</b>	<b>3.52</b>	<b>102.88</b>	<b>66.92</b>	<b>25.63</b>

**ANNEXURE-XX - DETAILS OF OTHER CURRENT ASSETS AS RESTATED**

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Advance to supplier	-	390.00	-	-	-	-
TDS Receivable	0.63	5.60	1.36	0.83	-	0.39
Stock of Packing Materials	0.15	0.15	0.15	-	-	-
Prepaid Expenditure	0.22	0.42	1.00	1.22	1.62	4.28
MAT Credit	-	-	-	-	1.62	-

ROC (stamp duty for Increase in Authorized capital)	2.14	2.85	-	-	-	-
<b>TOTAL</b>	<b>3.14</b>	<b>399.03</b>	<b>2.51</b>	<b>2.05</b>	<b>3.24</b>	<b>4.67</b>

**ANNEXURE XXI - DETAILS OF REVENUE FROM OPERATIONS AS RESTATED**

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Sales	662.57	1,643.64	1,377.58	1,552.19	1,159.71	1,316.04
Less : Discount on sales	-	-	169.39	139.98	-	-
<b>TOTAL</b>	<b>662.57</b>	<b>1,643.64</b>	<b>1,208.20</b>	<b>1,412.21</b>	<b>1,159.71</b>	<b>1,316.04</b>

**ANNEXURE XXII - DETAILS OF OTHER INCOME AS RESTATED**

(Rs. In Lakhs)

Particulars	As at July 31, 2017	As at March 31,					Nature
		2017	2016	2015	2014	2013	
Other income	0.57	1.25	2.60	4.21	0.00	0.08	
Net Profit Before Tax as Restated	37.96	22.37	(4.20)	4.14	12.14	3.17	
<b>Percentage (%)</b>	<b>1.51%</b>	<b>5.59%</b>	<b>(61.90)%</b>	<b>101.69%</b>	<b>0.00%</b>	<b>2.51%</b>	

Source of Income							
Discount Received	-	0.67	2.60	-	-	0.02	Recurring and related to business activity .
Interest Income	-	-	-	4.21	-	-	Recurring and related to business activity .
Other Income	0.57	0.58	-	-	-	0.05	Non-Recurring and related to business activity .
<b>Total other Income</b>	<b>0.57</b>	<b>1.25</b>	<b>2.60</b>	<b>4.21</b>	<b>-</b>	<b>0.08</b>	

ANNEXURE- XXIII - DETAILS OF RELATED PARTY TRANSACTION AS RESTATED

(Rs. In Lakhs)

Sr No.	Name	Relationship	Nature of Transaction	Amount of Transaction upto 31.07.2017	Amount Outstanding as on 31.07.2017 (Net Payable)/Receivable	Amount of Transaction upto during the period ended 31.03.2017	Amount Outstanding as on 31.03.2017 (Net Payable)/Receivable	Amount of Transaction upto during the period ended 31.03.2016	Amount Outstanding as on 31.03.2016 (Net Payable)/Receivable	Amount of Transaction upto the period ended 31.03.2015	Amount Outstanding as on 31.03.2015 (Net Payable)/Receivable	Amount of Transaction upto the period ended 31.03.2014	Amount Outstanding as on 31.03.2014 (Net Payable)/Receivable	Amount of Transaction upto the period ended 31.03.2013	Amount Outstanding as on 31.03.2013 (Net Payable)/Receivable
1.	Sandeep Jain	KMP	Re-payment Received	-	(2.18)	48.58	(181.44)	11.25	48.58	-	50.76	1	32.47	4.00	19.01
			Interest Received	-		-		-		4.21		-		-	
			Advance / Deposit Taken	-		-		19.49		21.21		20.49		20.21	
			Loan Taken	107.50		465.00		-		-		-			
			Loan Re-payment / Convert to capital	286.33		238.82		-		-		-			
			Rent	-		6.00		5.40		-		-			
			Remuneration	2.00		15.00		15.00		12.00		12.00			
2.	Deepika Jain	KMP	Loan Taken	-	(2.01)	-	(0.01)	-	(2.08)	-	(3.40)	-	(8.51)	-	(7.17)
			Loan Re-payment /	-		8.62		-		6.70		-			

Sr No.	Name	Relationship	Nature of Transaction	Amount of Transaction upto 31.07.2017	Amount Outstanding as on 31.07.2017 (Net Payable)/Receivable	Amount of Transaction upto during the period ended 31.03.2017	Amount Outstanding as on 31.03.2017 (Net Payable)/Receivable	Amount of Transaction upto during the period ended 31.03.2016	Amount Outstanding as on 31.03.2016 (Net Payable)/Receivable	Amount of Transaction upto the period ended 31.03.2015	Amount Outstanding as on 31.03.2015 (Net Payable)/Receivable	Amount of Transaction upto the period ended 31.03.2014	Amount Outstanding as on 31.03.2014 (Net Payable)/Receivable	Amount of Transaction upto the period ended 31.03.2013	Amount Outstanding as on 31.03.2013 (Net Payable)/Receivable
			Convert to Capital												
			Remuneration	2.00		9.00		9.00		6.00		6.00		6.00	
3.	Sandeep Jain (HUF)	Entity in which director have significant influence	Loan Taken	-		4.75		-		-		-		-	
			Loan Repayment	0.31	(4.44)	-	(4.75)	-	-	-	-	-	-	-	-
4.	Vijay Kumar Jain	Relative of KMP	Loan Taken	-	-	-	-	-	-	-	-	-	-	-	-
			Loan Repayment	-	-	-	-	-	-	0.40	-	-	0.40	-	0.40
5.	Praveen Jain	Relative of KMP	Loan Taken	-	-	-	-	-	-	-	-	-	-	-	-
			Loan Repayment	-	-	-	-	-	-	2.71	-	-	2.71	-	2.71

**ANNEXURE-XXIV - SUMMARY OF SIGNIFICANT ACCOUNTING RATIOS AS RESTATED**
*(Rs. In Lakhs)*

Particulars	For the Period ended July 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Profit after tax as restated	27.60	14.76	(3.01)	5.50	11.91	(4.72)
Weighted average number of equity shares at the end of the year/period	29,58,153	4,50,000	10,000	10,000	10,000	10,000
Number of equity shares outstanding at the end of the year/period	5,668,916	2,282,850	10,000	10,000	10,000	10,000
<b>Net Worth</b>	<b>618.42</b>	<b>304.49</b>	<b>42.29</b>	<b>46.18</b>	<b>42.58</b>	<b>30.68</b>
<b>Earnings Per Share</b>						
Basic & Diluted(Rs.)	0.93	3.28	(30.01)	55.00	119.10	(47.20)
<b>Return on Net Worth (%)</b>	<b>4.46%</b>	<b>4.85%</b>	<b>(7.11)%</b>	<b>11.90%</b>	<b>27.96%</b>	<b>(15.38)%</b>
<b>Net Asset Value Per Share (Rs)</b>	<b>10.91</b>	<b>13.34</b>	<b>422.87</b>	<b>461.83</b>	<b>425.84</b>	<b>306.80</b>

1. Ratios have been calculated as below

$$\text{Basic and Diluted Earnings Per Share (EPS) (Rs.)} = \frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year / period}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$$

$$\text{Net Asset Value per equity share (Rs.)} = \frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the year}}$$

**ANNEXURE-XXV - CAPITALISATION STATEMENT AS AT JULY 31, 2017**
*(Rs. In Lakhs)*

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	168.67	168.67
Long term debt (B)	79.66	79.66
<b>Total debt (C)</b>	<b>248.33</b>	<b>248.33</b>
<b>Shareholders' funds</b>		
Equity share capital	566.89	1013.89
Reserve and surplus - as restated	51.53	51.53
<b>Total shareholders' funds</b>	<b>618.42</b>	<b>1065.42</b>
<b>Long term debt / shareholders funds</b>	<b>0.13</b>	<b>0.07</b>
<b>Total debt / shareholders funds</b>	<b>0.40</b>	<b>0.23</b>

**ANNEXURE- XXVI - STATEMENT OF TAX SHELTERS**
*(Rs. In Lakhs)*

Particulars	For the Period ended July 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Profit before tax as Restated (A)	37.96	22.37	(4.20)	4.14	12.14	3.17
Tax Rate as per IT (%)	27.55%	30.90%	30.90%	30.90%	30.90%	30.90%
MAT Rate (%)	20.39%	19.06%	19.06%	19.06%	19.06%	19.06%
<b>Adjustments :</b>						
<b>Permanent Differences(B)</b>						
Profit On Sale Of Fixed Asset	-	-	(1.17)	-	-	-

Donation	-	-	-	0.06	-	-
Interest on late payment of TDS	-	-	0.19	1.25	5.42	-
<b>Total Permanent Differences(B)</b>	-	-	<b>(0.98)</b>	<b>1.31</b>	<b>5.42</b>	-
<b>Timing Differences (C)</b>						
Difference between tax depreciation and book depreciation	3.26	10.65	10.73	16.43	1.70	5.16
<b>Total Timing Differences (C)</b>	<b>3.26</b>	<b>10.65</b>	<b>10.73</b>	<b>16.43</b>	<b>1.70</b>	<b>5.16</b>
<b>Net Adjustments D = (B+C)</b>	<b>3.26</b>	<b>10.65</b>	<b>9.76</b>	<b>17.74</b>	<b>7.12</b>	<b>5.16</b>
<b>Incomes Considered Separately</b>						0.37
Taxable Income/(Loss) (A+D)	41.23	34.96	5.68	19.17	2.47	30.69
Restated Profit for The Purpose of MAT	37.96	22.37	(4.20)	4.14	12.14	3.17
Less: Adjustment related to Depreciation	-	-	-	-	-	-
Add: Amounts Written Back	-	-	-	-	-	-
<b>Taxable Income/(Loss) as per MAT</b>	<b>37.96</b>	<b>24.31</b>	<b>(4.07)</b>	<b>4.64</b>	<b>12.50</b>	<b>5.17</b>
<b>Income Tax as returned/computed</b>	<b>11.36</b>	<b>10.80</b>	<b>1.76</b>	<b>5.92</b>	<b>0.76</b>	<b>9.48</b>
<b>Tax payable as per normal or MAT (higher of (E) or (F))</b>	<b>Income Tax</b>	<b>Income Tax</b>	<b>Income Tax</b>	<b>Income Tax</b>	<b>MAT</b>	<b>Income Tax</b>



## FINANCIAL INDEBTEDNESS

Our Company utilizes various credit and financial institutions for conducting its business. Following is a summary of our Company's outstanding borrowings as on July 31, 2017: (Rs. In Lakhs)

Sr No.	Nature of Borrowing	Amount
1.	Secured Borrowings	192.45
2.	Unsecured Borrowings	55.87

### 1. Secured Loan

(Rs. In Lakhs)

Name of Lender	Type of Loan	Date of Sanction	Purpose	Sanction Amount	Rate of interest	Securities Offered	Re-payme nt terms	Outstandi ng amount as on 31.07.2017
Bajaj Finance Ltd	Property Loan	31/05/2016	Balance Transfer	84.75	10.75 %	Mortgage of Shop	172 months	77.77
ICICI Bank	Re-Finance of Vehicle	04/03/2016	Working capital	16.00	13%	Hypothecati on of Vehicle	36 months	9.60
ICICI Bank	Re-Finance of Vehicle	25/03/2016	Working capital	7.50	13%	Hypothecati on of Vehicle	24 months	2.67
ICICI Bank	Vehicle Loan	20/10/2015	Vehicle Purchase d	9.64	9.75%	Hypothecati on of Vehicle	36 months	4.33
IDBI Bank Limited	Overdra ft	21/03/2017	Working Capital	24.00	16.00 %	Hypothecati on by way of first and exclusive charge on all present and future card swipes on th EDC Machines at the ME's outlet	On Deman d	37.92
Syndicate Bank Limited	Overdra ft	22/06/2017	Working Capital	90.00	10.00 %	Book Debt	On Deman d	56.84
ICICI Bank Limited	Overdra ft	-	Working Capital	4.00	16.00 %	Book Debt	On Deman d	3.32

**Unsecured Loan***(Rs. In Lakhs)*

<b>Name of Lender</b>	<b>Purpose</b>	<b>Rate of interest</b>	<b>Sanction Amount</b>	<b>Outstanding Amount as on 31.07.2017</b>
Pinnacle Capital Solutions Private Limited	Working Capital	18.00%	50.00	22.97
Tata Capital Financial Ltd	Working Capital	17.92%	20.00	8.12
Capital First Ltd	Working Capital	18.00%	25.00	8.93
Bajaj Finance Ltd	Working Capital	19.50%	20.10	10.43
Sandeep Jain HUF	Working Capital	-	-	4.44
Bharti HR Solution	Working Capital	-	-	0.98

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations together with the restated financial statements prepared in accordance with the Companies Act, Indian GAAP, the Accounting Standards and SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2013, 2014, 2015, 2016, 2017 and for the Period ended July 31, 2017 in the chapter titled "Financial Statements" on page 101 of this Prospectus. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.*

### Business Overview

We are engaged into the business of manufacturing, designing and marketing of readymade garments offering diverse range of formal, semi-formal and casual wear for men and casual wear for women. We serve our customers through the channels of retail and e-commerce. Our garment manufacturing process includes cutting, stitching, sewing, finishing, inspection and packing. We also outsource the garments manufacturing on job work basis from third party contractors from time to time and provides the technical specifications such as designs, pattern, quality, fabric etc. to them who, based on our specifications, procure the requisite raw materials at their own costs and begin the manufacturing process. The products delivered to us from third party contractors are completely finished and packaged to our warehouse/stores at TA 168 & 187 Ground Floor, Gali No. 2, Tuglakabad Extn New Delhi New Delhi DL 110019 IN.

### Significant Material Developments Subsequent To the Last balance sheet i.e. July 31, 2017

To our knowledge, except as disclosed in this Prospectus, there is no subsequent development after the date of our financial statements contained in this Prospectus which materially affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

### Key factors that may affect our results of operation:

Our results of operations have been, and will be, affected by many factors, some of which are beyond our control. This section sets out certain key factors that our management believes have historically affected our results of operations during the period under review, or which could affect our results of operations in the future.

- Evolving customer needs and market trends;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans;
- Changes in laws and regulations relating to the industry in which we operate;
- General economic and demographic conditions;
- Interest rate fluctuations;
- Tax benefits and incentives;
- Increasing competition in the industry;
- Changes in fiscal, economic or political conditions in India;

For more information on these and other factors/development which have or may affect us, please refer to chapters titled "Risk Factors", "Industry Overview" and "Our Business" beginning on page 11, 63 and 69 respectively of this Prospectus.

### Results of Operation

The following table sets forth select financial data from restated Profit and Loss Accounts for the period ended July 31, 2017 and for the Financial Year ended on March 31, 2017, 2016, 2015, 2014, & 2013 and the components of which are also expressed as a percentage of total income for such periods.

(Rs. In Lakhs)

Particulars	For the Period ended July 31, 2017	% of Total Income	For the Year ended March, 31									
			2017	% of Total Income	2016	% of Total Income	2015	% of Total Income	2014	% of Total Income	2013	% of Total Income
<b>Income</b>												
Revenue From Operations	662.57	99.91	1643.64	99.92	1208.20	99.79	1412.21	99.70	1159.71	100.00	1316.04	99.99
Less: Excise Duty	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	0.57	0.09	1.25	0.08	2.60	0.21	4.21	0.30	0.001	-	0.08	0.01
<b>Total Income</b>	<b>663.14</b>	<b>100.00</b>	<b>1644.89</b>	<b>100.00</b>	<b>1210.80</b>	<b>100.00</b>	<b>1416.42</b>	<b>100.00</b>	<b>1159.71</b>	<b>100.00</b>	<b>1316.12</b>	<b>100.00</b>
<b>Expenditure</b>												
Purchase of Stock In Trade	834.29	125.81	1,325.69	80.59	686.71	56.72	728.10	51.40	352.73	30.42	666.36	50.63
Change of Stock in Trade	(386.57)	(58.29)	(336.96)	(20.49)	(42.31)	(3.49)	41.52	2.93	206.97	17.85	(79.11)	(6.01)
Employees Benefit Expenses	31.03	4.68	117.99	7.17	138.91	11.47	108.56	7.66	85.40	7.36	80.82	6.14
Finance Cost	11.36	1.71	42.52	2.58	33.46	2.76	19.60	1.38	23.02	1.98	19.44	1.48
Depreciation and amortisation	7.43	1.12	21.86	1.33	22.51	1.86	29.54	2.09	20.63	1.78	21.38	1.62
Other Expenses	127.64	19.25	451.42	27.44	376.90	31.13	484.97	34.24	458.82	39.56	604.07	45.90
<b>Total Expenditure</b>	<b>625.18</b>	<b>94.28</b>	<b>1622.52</b>	<b>98.64</b>	<b>1216.17</b>	<b>100.44</b>	<b>1412.28</b>	<b>99.71</b>	<b>1147.57</b>	<b>98.95</b>	<b>1312.95</b>	<b>99.76</b>
<b>Profit before exceptional, extraordinary Items &amp; Tax</b>	<b>37.96</b>	<b>5.72</b>	<b>22.37</b>	<b>1.36</b>	<b>(5.37)</b>	<b>(0.44)</b>	<b>4.14</b>	<b>0.29</b>	<b>12.14</b>	<b>1.05</b>	<b>3.17</b>	<b>0.24</b>
Less: Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit before Extraordinary Items and Tax</b>	<b>37.96</b>	<b>5.72</b>	<b>22.37</b>	<b>1.36</b>	<b>(5.37)</b>	<b>(0.44)</b>	<b>4.14</b>	<b>0.29</b>	<b>12.14</b>	<b>1.05</b>	<b>3.17</b>	<b>0.24</b>
Less: Extraordinary Items	-	-	-	-	(1.17)	(0.10)	-	-	-	-	-	-
Less: Prior Period Items(Net)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit before Tax</b>	<b>37.96</b>	<b>5.72</b>	<b>22.37</b>	<b>1.36</b>	<b>(4.20)</b>	<b>(0.35)</b>	<b>4.14</b>	<b>0.29</b>	<b>12.14</b>	<b>1.05</b>	<b>3.17</b>	<b>0.24</b>
Current Tax	11.36	1.71	10.80	0.66	1.76	0.15	5.92	0.42	0.76	0.07	9.48	0.72
MAT Payable	-	-	-	-	-	-	-	-	1.62	0.14	-	-
MAT Credit	-	-	-	-	-	-	-	-	(1.62)	(0.14)	-	-
MAT Credit utilized	-	-	-	-	-	-	(1.62)	0.11	-	-	-	-
Provision for deferred tax	(1.00)	(0.15)	(3.20)	(0.19)	(2.96)	(0.24)	(5.66)	(0.40)	(0.53)	(0.05)	(1.59)	(0.12)
<b>Total Tax Expenses</b>	<b>10.36</b>	<b>1.56</b>	<b>7.60</b>	<b>0.46</b>	<b>(1.20)</b>	<b>(0.10)</b>	<b>(1.36)</b>	<b>(0.10)</b>	<b>0.23</b>	<b>0.02</b>	<b>7.89</b>	<b>0.60</b>
<b>Profit/(Loss) for the period/year</b>	<b>27.60</b>	<b>4.16</b>	<b>14.77</b>	<b>0.90</b>	<b>(3.01)</b>	<b>(0.25)</b>	<b>5.50</b>	<b>0.39</b>	<b>11.91</b>	<b>1.03</b>	<b>(4.72)</b>	<b>(0.36)</b>

## **Key Components of Our Profit And Loss Statement**

**Revenue from operations:** Revenue from operations mainly consists of Sale of Products.

**Other Income:** Other income primarily comprises Discount Income and miscellaneous Income.

**Purchase of Stock In Trade:** Purchase of Stock In Trade mainly comprises of Domestic Purchases.

**Changes of Stock in trade:** Changes of Stock in trade indicates the difference between the opening and Closing Stock as adjusted for purchase of Stock In trade.

**Employee benefits expense:** Employee benefit expense includes salaries & wages etc.

**Finance Costs:** Finance cost comprises Interest expense and Bank Charges.

**Depreciation expense:** We recognize depreciation and amortization expense on a Straight Line Method as per the provisions set forth in the Companies Act 2013 from 1st April 2014 and rates set forth in Companies Act, 1956 for prior period to 1<sup>st</sup> April 2014.

**Other expenses:** Our other expenses include Fabrication Charges, Commission Paid, Showroom rent, Legal professional Charges, sampling expenses, Advertising and Publicity, Travelling Expenses, Postage and Courier, Mail Maintenance charge, etc.

## **FINANCIAL PERFORMANCE FOR THE FOUR MONTHS PERIOD ENDED JULY 31, 2017:**

### **Income**

#### **Revenue from Operations**

During the period ended July 31, 2017 our Revenue from Operations (Net) is Rs 662.57 Lacs comprising of Sale of Products which is 99.91 % of Total income.

#### **Other Income**

During the period ended July 31, 2017 our Other Income is Rs 0.57 Lacs comprising of Interest income which is 0.09% of the Total Income.

### **Expenditure**

#### **Total Expenses**

The total expenditure for the period ended July 31, 2017 is Rs 625.18 Lacs which is about 94.28% of the Total Income.

#### **Purchase of Stock in Trade**

Our Company has incurred Rs 834.29 Lacs for Domestic purchases during the Period ended July 31, 2017 which is about 125.81% of the Total Income.

#### **Employee benefits expenses**

The employee benefit expense comprises of salaries & wages. Our Company has incurred Rs 31.03 Lacs as employee benefit expense during the ended July 31, 2017 which is about 4.68% of the Total Income.

#### **Finance Cost**

These Costs were Rs 11.36 Lacs for the Period ended July 31, 2017 consisting of Interest expenses and Bank charges which is about 1.71% of the Total Income.

## **Depreciation and Amortisation expense**

Depreciation for the Period ended July 31, 2017 calculated as per SLM Method as per Companies Act, 2013 constitutes about 1.12% of the Total Income.

## **Other Expenses**

Our Company has incurred Rs. 127.64 lacs for the Period ended July 31, 2017 on Other Expenses comprising of Fabrication Charges, Commission Paid, Showroom rent, Legal professional Charges, sampling expenses, Advertising and Publicity, Travelling Expenses, Postage and Courier, Mail Maintenance charge, etc. which is about 19.25% of the Total Income.

Since the results are for Four Months, Comparison with previous fiscal would not reflect actual performance of the Company, Comparison has not been provided.

## **COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2017 WITH FISCAL 2016**

### **Income**

#### **Revenue from Operations**

During the financial year 2016-17 the revenue from operations (net) of our company increased to Rs. 1643.64 Lacs as against Rs. 1208.20 Lacs in the year 2015-16, representing an increase of 36.04 %. This increase is majorly due to increase in the sale of products.

#### **Other Income**

During the financial year 2016-17 the Other Income of our company decreased to Rs. 1.25 Lacs as against Rs.2.60 Lacs for the financial year 2015-16, representing a decrease by 51.92%. Such decrease was due to decrease in Discount Income.

### **Expenditure**

#### **Total Expenses**

The total expenditure for the financial year 2016-17 increased to Rs. 1622.52 Lacs from Rs. 1216.17 Lacs in the year 2015-16, representing an increase of 33.41 %.

#### **Purchase of Stock In Trade**

There was 93.05% increase in our purchase of Stock from Rs.686.71 Lacs in the financial year 2015-16 to Rs. 1325.69 Lacs in the financial year 2016-17. This increase was primarily due to increase in Domestic purchases.

#### **Employee benefits expenses**

The employee benefit expense comprises of salaries & wages. Our Company has incurred Rs. 117.99 lacs as employee benefit expenses during the FY 2016-17 as compared to Rs. 138.91 lacs during the FY 2015-16. The decrease of 15.06% as compared to previous year is due to realignment of job and resultant reduction in manpower etc.

#### **Finance Cost**

These Costs were for the year 2016-17 increased to Rs 42.52 Lacs as against Rs. 33.46 Lacs during the previous financial year. The increase of 27.08 % as compared to previous year is due to increase in Interest expenses and Bank Charges.

## **Depreciation and Amortisation expense**

Depreciation for the financial year 2016-17 stood at Rs. 21.86 Lacs the same was Rs.22.51 Lacs for the financial year 2015-16. The decrease by 2.89% is mainly due to net reduction in fixed asset.

## **Other Expenses**

Our Company has incurred Rs. 451.42 lacs during the FY 2016-17 on Other Expenses as compared to Rs. 376.90 lacs during FY 2015-16. The increase of 19.77% is majorly due to increase in Fabrication expenses, Commission expense, Repairs and Maintenance, etc.

## **Profit/ (Loss) After Tax**

For the year 2016-17 the profit stood at Rs 14.77 lacs as against the loss of Rs. 3.01 Lacs for the previous year 2015-16. The cause of increase of 390.70 % was majorly due to the factors mentioned above.

## **COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2016 WITH FISCAL 2015**

### **Income**

#### **Revenue from Operations**

During the financial year 2015-16 the revenue from operations of our company decreased to Rs. 1208.20 Lacs as against Rs.1412.21 Lacs in the year 2014-15, representing a decrease of 14.45%. This decrease is majorly due to decrease in the sale of products.

#### **Other Income**

During the financial year 2015-16 the Other Income of our company decreased to Rs.2.60 Lacs as against Rs. 4.21 Lacs for the financial year 2014-15, representing decrease by 38.24%. Such decrease was due to decrease in interest income and others.

### **Expenditure**

#### **Total Expenses**

The total expenditure for the financial year 2015-16 decreased to Rs.1216.17 Lacs from Rs.1412.28 Lacs in the year 2014-15, representing a decrease of 13.89%.

#### **Purchase of Stock In Trade**

There was 5.68% decrease in our purchase of Stock from Rs.728.10 Lacs in the financial year 2014-15 to Rs. 686.71 Lacs in the financial year 2015-16. This decrease was primarily due to decrease in Domestic purchases.

#### **Employee benefits expenses**

The employee benefit expense comprises of salaries & wages. Our Company has incurred Rs.138.91 Lacs as employee benefit expenses during the FY 2015-16 as compared to Rs. 108.56 Lacs during the FY 2014-15. The increase of 27.96% as compared to previous year is due to increase in salaries & wages.

#### **Finance Cost**

These Costs were for the year 2015-16 increased to Rs. 33.46 Lacs as against Rs. 19.60 Lacs during the previous financial year. The increase of 70.71% as compared to previous year is due to increase in Interest expenses & Bank charges.

#### **Depreciation and Amortisation expense**

Depreciation for the financial year 2015-16 stood at 22.51 Lacs the same was 29.54 Lacs for the financial year 2014-15. The decrease by 23.80% is mainly due to reduction in fixed asset.

#### **Other Expenses**

Our Company has incurred Rs. 376.90 Lacs during the FY 2015-16 on Other Expenses as compared to Rs. 484.97 Lacs during FY 2014-15. The decrease of 22.28% is majorly due to decrease in in Fabrication expenses, Repairs and Maintenance, etc.

### **Profit/ (Loss) After Tax**

For the year 2015-16 the loss stood at Rs.3.01 Lacs as against the profit of Rs. 5.50 Lacs for the previous year 2014-15. The cause of decrease of 154.73% was majorly due to the factors mentioned above.

### **COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2015 WITH FISCAL 2014**

#### **Income**

##### **Revenue from Operations**

During the financial year 2014-15 the revenue from operations (net) of our company increased to Rs. 1412.21 Lacs as against Rs. 1159.71 Lacs in the year 2013-14, representing an increase of 21.77%. This increase is majorly due to increase in the sale of products.

##### **Other Income**

During the financial year 2014-15 the Other Income of our company increased to Rs. 4.21 Lacs as against Rs.0.00 Lacs for the financial year 2013-14, Such increase was due to increase in Interest Income.

#### **Expenditure**

##### **Total Expenses**

The total expenditure for the financial year 2014-15 increased to Rs.1412.28 Lacs from Rs.1147.57 Lacs in the year 2013-14, representing an increase of 23.06%.

##### **Purchase of Stock In Trade**

There was 106.42% increase in our purchase of Stock from Rs.352.73 Lacs in the financial year 2013-2014 to Rs. 728.10 Lacs in the financial year 2014-15.This increase was primarily due to increase in Domestic purchases.

##### **Employee benefits expenses**

The employee benefit expense comprises of salaries & wages. Our Company has incurred Rs.108.56 Lacs as employee benefit expenses during the FY 2014-15 as compared to Rs.85.40 Lacs during the FY 2013-14. The increase of 27.12% as compared to previous year is due to salaries & wages.

##### **Finance Cost**

These Costs were for the year 2014-15 decreased to Rs 19.60 Lacs as against Rs. 23.02 Lacs during the previous financial year. The decrease of 14.86% as compared to previous year is due to decrease Interest expenses & Bank charges.

##### **Depreciation and Amortisation expense**

Depreciation for the financial year 2014-15 stood at 29.54 Lacs the same was 20.63 Lacs for the financial year 2013-14. The increase by 43.19% is mainly due to change in Companies Act.

##### **Other Expenses**

Our Company has incurred Rs. 484.97 Lacs during the FY 2014-15 on Other Expenses as compared to Rs.458.82 Lacs during FY 2013-14. The increase of 5.70% is majorly due to Fabrication expenses, Repairs and Maintenance, etc.

### **Profit/ (Loss) After Tax**

For the year 2014-15 the profit stood at Rs.5.50 Lacs as against the profit of Rs. 11.91 Lacs for the previous year 2013-14. The cause of decrease of 53.82% was majorly due to change in depreciation due to change in companies act and above mentioned Factors.



**Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:**

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

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

There has not been any unusual or infrequent event or transactions that have significantly affected operations of the Company.

- ***Significant economic changes that materially affected or are likely to affect income from continuing operations.***

There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

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

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

- ***Future changes in relationship between costs and revenues in case of events such as future increase in labour or material cost or prices that will cause material change.***

Other than as described in the chapter titled "Risk Factors" beginning on page 11 of this Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

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

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

- ***Total turnover of each major industry segment in which our Company operates***

The Company operates in single segment in context of accounting standards 17 on Segment Reporting issued by ICAI.

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

Our Company has not announced any new product.

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

Our business is seasonal in nature, for further reference; please refer risk factor on page 11 of this Prospectus.

- ***Dependence on few Suppliers/ customers***

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

- ***Competitive conditions***

It faces competition from existing and potential competitors which is common for any business. It has, over a period of time, developed certain competitive strengths which have been discussed in section titled "Our Business" on page 69 of this Prospectus.

## **SECTION VI – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

*Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Entities; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Entities; (iii) outstanding claims involving our Company, Directors, Promoter or Group Entities for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Prospectus; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.*

*For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Prospectus:*

- (a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoter, Directors, or Group Companies, as the case may be shall be deemed to be material;*
- (b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of Rs. 2 crores or 5% of the net profits after tax of the Company for the most recent audited fiscal period whichever is higher; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company;*
- (c) Notices received by our Company, Promoter, Directors, or Group Entities, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Entities, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

*Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

*Unless otherwise stated, all proceedings are pending as of the date of this Prospectus. All information provided below is as of the date of this Prospectus.*

### **LITIGATIONS INVOLVING OUR COMPANY**

#### **Civil Litigation against our Company:**

One Aniket Overseas Pvt. Ltd has filed a Recovery Suit for recovery of a sum of Rs. 12,23,924/- plus interest against the company and its Director Mr. Sandeep Jain and the same is pending in the Court of Ld. Civil Judge (Sr.Division) at Gurgaon.

**Criminal Litigation against our Company:**

Nil

**Civil/Criminal Litigation by our Company:**

Nil

**Tax Litigation against our Company***Direct Tax:*

S. No.	Type of Tax	No. of cases	Amount in dispute/demanded (Rs. in Lakhs)
1.	Income Tax	3	2.27

**Tax Litigation by our Company**

Nil

**Actions by statutory/ regulatory authorities against our Company**

Nil

**Actions by statutory/ regulatory authorities by our Company**

Nil

**Labours Litigation**

Nil

**LITIGATION INVOLVING OUR PROMOTER GROUP**

Nil

**LITIGATION INVOLVING OUR PROMOTERS****Litigation against our Promoters***Direct tax:*

S. No.	Type of Tax	No. of cases	Amount in dispute/demanded (Rs. in Lakhs)
<b>Sandeep Jain</b>			
1.	Income Tax	2	4.30
<b>Deepika Jain</b>			
1.	Income Tax	1	Negligible*

*\*less than 0.01%***Litigation by our Promoters**

Nil

**LITIGATION INVOLVING OUR DIRECTORS (OTHER THAN PROMOTERS)****Litigation against our Directors***Direct tax:*

S. No.	Type of Tax	No. of cases	Amount in dispute/demanded (Rs. in Lakhs)
<b><i>Pardeep Singh</i></b>			
1.	Income Tax	3	0.29
<b><i>Mohinder Rustagi</i></b>			
1.	Income Tax	1	0.39

#### **Litigation by our Directors**

Nil

#### **LITIGATION INVOLVING OUR GROUP ENTITIES (OTHER THAN PROMOTERS GROUP)**

NIL

#### **PENALTIES LEVIED UPON OUR COMPANY / PROMOTER / PROMOTER GROUP COMPANIES IN THE PAST FIVE YEARS**

NIL

#### **MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the year of this Prospectus.

#### **PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

#### **NON PAYMENT OF STATUTORY DUES**

As on the date of this Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) overdues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

#### **PAST CASES WHERE PENALTIES WERE IMPOSED**

There are no past cases where penalties were imposed on our Company by concerned authorities/courts.

#### **OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of this Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

#### **ADVERSE FINDINGS AGAINST ANY PERSONS/ENTITIES CONNECTED WITH OUR COMPANY AS REGARDS NON COMPLIANCE WITH SECURITIES LAWS**

There are no adverse findings involving any persons/entities connected with our Company as regards non compliance with securities law.

#### **DISCIPLINARY ACTION TAKEN BY SEBI OR STOCK EXCHANGES AGAINST OUR COMPANY**

There are no disciplinary actions taken by SEBI or stock exchanges against our Company, or its Directors.

## PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act 2013 or any previous company law in the last five years immediately preceding the year of this Prospectus in the case of Company, Promoters, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of this Prospectus.

Further, there is no legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the promoters during the last five years immediately preceding the year of the issue of this Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

## OUTSTANDING DUES TO CREDITORS

As per the Materiality Policy, our Board has approved that each creditor, to whom our Company individually owes a net aggregate amount that exceeds 5.00% of the trade payables as per the Restated Financial Statements for the most recent financial year, shall be considered as a material creditor of our Company. Our Board has also approved that dues owed by our Company to small scale undertakings as per the Restated Financial Statements for the most recent financial year shall be disclosed in a consolidated manner.

As of July 31, 2017, our Company, in its ordinary course of business, has an aggregate amount of Rs. 424.27 lakhs, which is due towards sundry and other creditors. As per the above policy, consolidated information of outstanding dues, as at July 31, 2017, owed to small scale undertakings, material dues to creditors and other dues to creditors separately, giving details of number of cases and aggregate amount for such dues is as under:

Particulars	Number of cases	Amount Outstanding (Rs. In lacs)
Dues to small scale undertakings	Not Available	Not Available
Material dues to creditors	3	294.77
<b>Total</b>	<b>3</b>	<b>294.77</b>

Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not been furnished. Our Company does not owe any small scale industries or any MSMEs any amounts exceeding Rs.1 lakh which is outstanding for more than 30 days. There are no disputes with such entities in relation to payments to be made to them.

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at [www.mymonteil.com](http://www.mymonteil.com). It is clarified that such details available on our website do not form a part of this Prospectus. Anyone placing reliance on any other source of information, including our Company's website, [www.mymonteil.com](http://www.mymonteil.com), would be doing so at their own risk.

## MATERIAL DEVELOPMENTS

Except as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" on page 129, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

## ADVERSE EVENTS

There has been no adverse event affecting the operations of our Company occurring within one year prior to the date of filling this Prospectus with the Registrar of Companies.

## GOVERNMENT AND OTHER APPROVALS

*In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively "Authorisations") from the Government of India and various statutory / regulatory / governmental authorities listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or statutory or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities. For further details in connection with the regulatory and legal framework within which we operate, please refer "Key Industrial Regulations and Policies" on page 74 of this Prospectus.*

### A. Corporate / General Authorisations

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Applicable Act/Regulation	Date of Issue	Valid up to
1.	Certificate of Incorporation in the name of "Lorenzini Apparels Private Limited"	Registrar of Companies, National Capital Territory of Delhi and Haryana	U17120DL2007PTC163192	Companies Act, 1956	May 09, 2007	Valid until cancelled
2.	Fresh Certificate of Incorporation in the name of "Lorenzini Apparels Limited"	Assistant Registrar of Companies, Delhi	U17120DL2007PLC163192	Companies Act, 2013	March 30, 2017	Valid until cancelled

### B. Issue Related Authorisations

- Our Board of Directors has, pursuant to a resolution passed at its meeting held on January 16, 2018, authorised the Issue subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 such other authorities as may be necessary.
- The shareholders of our Company have authorised the Issue, pursuant to a special resolution under Section 62(1)(c) of the Companies Act, 2013, passed at their EGM held on January 17, 2017.
- Our Company has obtained approval dated January 22, 2018 from the BSE.
- Our Company's International Securities Identification Number ("ISIN") is INE740X01015.

### C. Business Related Approvals

Sr. No.	Authorization Granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue / Renewal / Effective Date	Validity
1.	Permanent Account Number	Commissioner of Income Tax	AABCL3159K	May 09, 2007	Valid until cancellation
2.	Tax Deduction Account Number (TAN)	Income Tax Department, GoI	DELL03642C	-	Valid until cancellation
3.	Certificate of Importer-Exporter Code (IEC)	Ministry of Commerce, Government of India, Office of Zonal Director General of Foreign Trade	0512016135	May 24, 2012	Valid until cancellation





Sr. No.	Authorization Granted	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue / Renewal / Effective Date	Validity
4.	Certificate of Registration under The Haryana Value Added Tax Act, 2003	Commissioner of Commercial Tax	06111952160	May 26 ,2016	Valid until cancellation
5.	Certificate of Registration under The Delhi Value Added Tax Act, 2004	Commissioner of Commercial Tax	07180332986	August 23, 2007	Valid until cancellation
6.	Registration for Employees State Insurance under Employees State Insurance Act, 1948	Employees' State Insurance Corporation	2000123530000099	June 21, 2016	Valid until cancellation
7.	Certificate of Registration under Central Excise Rules, 2002	Central Board of Excise and Customs, Ministry of Finance- Department of Revenue	AABCL3159KEM004	March 14, 2016	Valid until cancellation
8.	Registration under Goods and Service Tax Act, 2016	Department of Sales Tax, GoI & Government of Uttar Pradesh	09AABCL3159K1Z9	June 27, 2017	Valid until cancellation
9.	Registration under Goods and Service Tax Act, 2016	Goods and Service Tax Act, 2017 (New Delhi)	07AABCL3159K1ZD	November 18, 2017	Valid until cancellation
10.	Registration under Goods and Service Tax Act, 2016	Goods and Service Tax Act, 2017 (Haryana)	06AABCL3159K1ZF	October 28, 2017	Valid until cancellation
11.	Registration certificate under Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Employees' Provident Fund Organisation	DSNHP1485349000	July 02, 2016	Valid until cancellation
12.	Certificate of Registration under Delhi Shops & Establishment Act, 1954 for shop situated at Shop No L-56 A Pocket L Dilshad Garden, Delhi- 110095	Department of Labour, Government of National Capital Territory of Delhi	2017055376	June 24, 2017	Valid until cancellation
13.	Certificate of Registration under Delhi Shops & Establishment Act, 1954 for shop situated at G-7-b Ground Floor, Janak Place, District Center Jan, New Delhi- 110058	Department of Labour, Government of National Capital Territory of Delhi	2017047106	May 22, 2017	Valid until cancellation
14.	Certificate of Registration under	Department of Labour, Government of National Capital Territory of	2017047171	May 23, 2017	Valid until cancellation

Sr. No.	Authorization Granted	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue / Renewal / Effective Date	Validity
	Delhi Shops & Establishment Act, 1954 for shop situated at Shop No F-8 B Janak Place Jankpuri, New Delhi -110058	Delhi			
15.	Certificate of Registration under Delhi Shops & Establishment Act, 1954 for shop situated at F-39 First Floor V3s Shopping Mall, Delhi -110092	Department of Labour, Government of National Capital Territory of Delhi	2017047177	May 23, 2017	Valid until cancellation
16.	Certificate of Registration under Delhi Shops & Establishment Act, 1954 for shop situated at G-46, Ground Floor, Abdul Fazal Enclave Part-ii Sha, New Delhi- 110025	Department of Labour, Government of National Capital Territory of Delhi	2017048171	May 26, 2017	Valid until cancellation
17.	ISO 9001:2015 (Manufacturing, Retailing and Trading of all types of Garments and Fabrics)	RIR Certification Private Limited	100283/LOR09A	May 04, 2017	May 03, 2018




#### D. Intellectual property registrations

##### Trademarks applied in the name of our Company

Our Company has applied for the following registrations under the Trademark Act 1999 and Trademark Rule 2003. The Status of our application is as under:

S. No.	Logo	Date of Application	Application No.	Class	Status
1.		April 28, 1997	760019	25	Registered
2.		August 25, 2009	1854591	25	Registered
3.		August 09, 2007	1588922	25	Abandoned
4.		July 20, 2012	2367245*	25	Registered



S. No.	Logo	Date of Application	Application No.	Class	Status
5.	 Monteil & Munero	July 20, 2012	2367246	25	Objected
6.		February 23, 2015	2907753*	25	Registered
7.		September 22, 2017	3641597#	25	Send to Vienna Codification

\* Our Promoter Director Sandeep Jain has applied for the “Monteil & Munero” and “Invern” trademarks under various classes with the Registrar of Trademarks in India under the Trade Mark Act, 1999. Sandeep Jain have pursuant to trademark licensing agreement dated October 01, 2017 licensed the use of the trademarks that are currently pending registration to us as a permitted user for a period of 5 years for a consideration of one time licensing sum of Rs. 10,000/- and Rs. 2,000/- per month.



# Our Promoter Director Deepika Jain has applied for the “-----” trademarks with the Registrar of Trademarks in India under the Trade Mark Act, 1999. Deepika Jain have pursuant to deed of trademark licensing agreement dated October 01, 2017 licensed the use of the trademarks that are currently pending registration to us as a permitted user for a period of 5 years for a consideration of Rs. 1,000/- per month.

**E. Material Licenses / Approvals for which the Company is yet to apply**

- Application for changing the name of above mentioned approvals from — *Lorenzini Apparels Private Limited* to — *Lorenzini Apparels Limited* is yet to be made.
- Factory License under the Factories Act, 1948.
- Legal Metrology Act, 2009.

## SECTION VII - OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

#### *Corporate Approvals*

- Our Board has, pursuant to its resolution dated January 16, 2017, authorized the Issue, subject to the approval of the Equity Shareholders of our Company under Section 62(1)(c) of the Companies Act 2013.
- Our Equity Shareholders have, pursuant to a resolution dated January 17, 2017, under Section 62(1)(c) of the Companies Act, authorized the Issue.

We have received approval from BSE *vide* their letter dated January 22, 2018 to use the name of BSE in the Offer Document for listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

### Prohibition by SEBI, the RBI or other Governmental Authorities

None of our Company, our Promoters, our Promoter Group, our Directors, our Group Companies and persons in control of our Company are or have ever been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other governmental authorities. Neither our Promoters, nor any of our Directors or persons in control of our Company were or are a promoter, director or person in control of any other Company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

Neither our Company, nor any of our Promoters, Group Companies, nor our Directors, nor the relatives (as per the Companies Act) of our Promoters are or have been identified as wilful defaulters by the RBI or any other governmental authorities.

The listing of securities of our Company has never been refused at any time by any stock exchange in India or abroad.

### Association with Securities Market

We confirm that none of our Directors are associated with the securities market in any manner except for trading on day to day basis for the purpose of investment.

### Eligibility for this Issue

This Issue is being made in terms of Regulation 106 (M) (2) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital is more than ten crore rupees and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE).

We confirm that:

- a) In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to "*General Information*" on page 38 of this Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within the prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.

- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing this Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the arrangement of market making please refer to the section titled “*General Information-Details of the Market Making Arrangements for this Issue*” on page 41 of this Prospectus.

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

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

- e) Our Company has Net Tangible assets of at least Rs.3 crores as per the latest audited financial results.
- f) The Net worth (excluding revaluation reserves) of our Company is at least Rs. 3 crore as per the latest audited financial results.
- g) Our Company has track record of distributable profits in terms of section 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months.
- h) The Distributable Profit, Net Tangible Assets and Net worth of our Company as per the restated financial statements for Period ended July 31, 2017 and the Financial Year ended March 31, 2017, 2016 and 2015 are as set forth below:

Particulars	<i>(Rs. in lakhs)</i>			
	July 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015
Distributable Profit <sup>(1)</sup>	27.60	14.76	(3.01)	5.50
Net tangible Assets <sup>(2)</sup>	837.50	476.02	195.85	172.27
Net Worth <sup>(3)</sup>	618.42	304.49	42.29	46.18

1. “Distributable profits” have been computed in terms section 123 of the Companies Act, 2013.
2. “Net tangible assets” are defined as the sum of all net assets (i.e. non-current assets, current assets less current liabilities) of our Company, excluding deferred tax asset and intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.
3. “Net worth” has been defined as the aggregate of the paid up share capital, and reserves and surplus excluding revaluation reserve and after deducting miscellaneous expenditure, if any.

- i) As on the date of this Prospectus, our Company has a paid up capital of Rs. 566.89 lakhs and the Post Issue Paid-up Equity Share Capital will be Rs.1013.89 lakhs which is in excess of Rs.3 crores.
- j) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- k) There is no winding up petition against the Company, which has been admitted by the court or a liquidator has not been appointed.
- l) There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.
- m) Our Company has entered the tripartite agreements with CDSL and NSDL along with our Registrar for facilitating trading in dematerialized mode.
- n) We have a website: [www.mymonteil.com](http://www.mymonteil.com)

## **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, FEDEX SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE LEAD MERCHANT BANKER, FEDEX SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, FEDEX SECURITIES LIMITED HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE AND WHICH SHALL ALSO BE SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA AFTER REGISTERING THE PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE PROSPECTUS FILED WITH THE STOCK EXCHANGE/BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITER TO FULFIL THEIR UNDERWRITING COMMITMENTS – *NOTED FOR COMPLIANCE*
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD /TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – *NOT APPLICABLE*
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE “MAIN OBJECTS” LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THIS PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKER TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – *NOTED FOR COMPLIANCE*
10. WE CERTIFY ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:

- A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, AND
- B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE - NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY LEAD MERCHANT BANKER, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR. – PLEASE SEE ANNEXURE A FOR FURTHER DETAILS
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THIS PROSPECTUS

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

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

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF

**CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.-NOTED FOR COMPLIANCE.**

- (4) WE CONFIRM THAT THE AGREEMENTS HAVE BEEN ENTERED WITH CDSL AND NSDL FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. – **NOT APPLICABLE**
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.
- (7) WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF THE FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES. – **NOT APPLICABLE**

*Note: The filing of this Prospectus does not, however, absolve our Company from any liabilities under section 34 and section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in this Prospectus.*

*All legal requirements pertaining to the Issue will be complied with at the time of registration of this Prospectus with the Registrar of Companies, Delhi in terms of Section 26 and 30 of the Companies Act, 2013.*

**Disclaimer Clause of BSE**

BSE Limited (“BSE”) has given vide its letter dated January 22, 2018 , permission to this Company to use its name in the offer document as one of the stock exchange on which this company’s securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter for granting the aforesaid permission to this company. BSE does not in any manner:-

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company’s securities will be listed or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

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

**CAUTION – Disclaimer from our Company, our Directors and the Lead Manager**

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, [www.mymonteil.com](http://www.mymonteil.com), would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered into between the Lead Manager and our Company dated January 17, 2018 and the Underwriting Agreement dated January 17, 2018 entered into between the Underwriter and our Company and the Market Making Agreement dated January 17, 2018 entered into among the Lead Manager, the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the Applicants and public at

large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for our Company, our Group Companies and our respective affiliates and associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or our Group Companies or their respective affiliates or associates for which they have received, and may in future receive compensation.

**Note:**

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

Price information of past public issues (during current financial year and two financial years preceding the current financial year) handled by Fedex Securities Limited:

Sr . No.	Issuer Name	Issue size (Rs. in cr.)	Issue price (Rs.)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Shree Ganesh Remedies Limited	8.55	36.00	October 13, 2017	40	0.69% [1.85%]	24.31% [6.17%]	-- --

Note: The 30th, 90th, and 180th calendar days has been taken as listing date plus 29, 89, 179 calendar days respectively. Where the 30th day / 90th day / 180th day of a particular year falls on a stock exchange trading holiday, the immediately following trading day has been considered. Where the 30th day / 90th day / 180th of a particular year falls on the day when there is no trade in equity share of the Company , preceding trading day has been considered. The Designated Exchange for the Issue has been considered for the closing price, Benchmark index and other details. We have taken the Issue price to calculate the % change in closing price as on 30th, 90th and 180th day.

Summary statement of price information of past issues handled by Fedex Securities Limited



Financial Year	Total no. of IPOs	Total Funds raised (Rs. in cr.)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Ove r 50%	Betwe n 25% to 50 %	Less tha n 25 %	Ove r 50%	Betwe n 25% to 50 %	Less tha n 25 %	Ove r 50%	Betwe n 25% to 50 %	Less tha n 25 %	Ove r 50%	Betwe n 25% to 50 %	Less tha n 25 %
			50%	25-50%		50%	25-50%		50%	25-50%		50%	25-50%	
2017-18	1	8.55	NA	NA	NA	NA	NA	1	NA	NA	NA	NA	NA	NA
2016-17	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2015-16	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

### Track records of past issues handled by the Fedex Securities Limited

For details regarding the track record of the Fedex Securities Limited., as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please see [www.fedsec.in](http://www.fedsec.in)

### Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, Alternative Investment Fund, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs.2,500 Lakhs, pension fund with minimum corpus of Rs.2,500 Lakhs, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and Insurance funds set up and managed by the Department of Posts, India, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company this Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

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

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a

transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **Disclaimer clause under rule 144A of the U.S. Securities Act**

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

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **Filing**

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the Draft Prospectus in term of Regulation 106(M)(3) of SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at SEBI Northern Regional Office, 5th Floor, Bank of Baroda Building, 16 Sansad Marg, New Delhi - 110 001

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration with the RoC, Delhi situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019.

#### **Listing**

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by BSE, our Company will forthwith repay, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE are taken within six Working Days of the Issue Closing Date.

The Company has obtained approval from BSE vide letter dated January 22, 2018 to use the name of BSE in the Offer document for listing of equity shares on SME Platform of BSE.

#### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who –*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*

- b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### Consents

Consents in writing of the Directors, the Promoters, Chief Financial Officer, the Company Secretary & Compliance Officer, the Statutory Auditor, the Peer Review Auditor, the Banker to the Company, the Lead Manager, Registrar to the Issue, Banker to the Issue, Legal Advisor to the Issue, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. S. C. Verma & Associates, Chartered Accountants, have agreed to provide their written consent to include its report on statement of funds deployed as on December 26, 2017 dated December 26, 2017. M/s. PKJ and Co, Chartered Accountants (Peer Review Auditor) have provided their written consent to the inclusion of their reports dated January 18, 2018 on the Restated Financial Statements and their reports dated January 18, 2018 on the Statement of Possible Tax Benefits, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Prospectus.

### Expert Opinion

Our Company has received written consent from Independent Peer Reviewed Auditor, M/s. PKJ and Co, Chartered Accountants to include their name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Restated Financial Statements dated PKJ and Co January 18, 2018 and the Statement of Tax Benefits January 18, 2018, issued by them, included in this Draft Prospectus/Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

### Issue Related Expenses

The total expenses of the Issue are estimated to be approximately Rs. 30.00 lakhs. The expenses of this Issue include, among others, underwriting and Issue management fees, printing and stationery expenses, advertisement expenses and legal fees etc. The estimated Issue expenses are as follows:

Activity	Amount (Rs. in Lakhs)	Percentage of the total Issue expenses	Percentage of the total Issue size
Issue Management fees including, fees and reimbursement of underwriting fees, payment to legal advisor, peer review auditor	17.00	56.67	3.80
Regulatory and other fees	2.50	8.33	0.56
Other Expenses (printing, stationery expenses, postage etc.)	10.50	35.00	2.35
<b>Total estimated Issue expenses</b>	<b>30.00</b>	<b>100.00</b>	<b>6.71</b>

### Details of Fees Payable

#### Fees Payable to the Lead Manager

The total fees payable to the Lead Manager (including underwriting fees) will be as per the Issue Agreement and Underwriting Agreement among our Company and the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

#### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated May 15, 2017, a copy of which is available for inspection at our Registered Office.

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

#### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Peer Review Auditor and Advertisers, etc. will be as per the terms of their respective engagement letters, if any.

#### **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

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

#### **Previous Rights and Public Issues during the Last Five Years**

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

#### **Previous Issues of Shares otherwise than for Cash**

Except as stated in “*Capital Structure*” on page 44 of this Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

#### **Previous capital issue during the last three years by listed Group Companies of our Company**

None of the Group Companies of our Company are listed. Further, none of our Group Companies have made any public or rights issue of securities in the preceding three years.

#### **Performance vis-à-vis objects**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

None of the Group Companies has made public issue of equity shares during the period of ten years immediately preceding the date of filing the offer document with the BSE.

#### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

As on the date of this Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

#### **Partly Paid-Up Shares**

As on the date of this Prospectus, there are no partly paid-up Equity Shares of our Company.

#### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Prospectus.

### Option to Subscribe

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

### Stock Market Data for our Equity Shares

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

### Investor Grievances and Redressal System

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

The Registrar to the Issue, namely, Skyline Financial Services Private Limited, will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company.

The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on June 26, 2017 constituted a Stakeholders Relationship Committee. For further details, please refer to the chapter titled “*Our Management*” beginning on page 83 of this Prospectus.

The Company assures that the Board of Directors in respect of the complaints, if any, to be received shall adhere to the following schedules:

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

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

Our Company has appointed Laveena Jain as the Company Secretary and Compliance Officer and she may be contacted at the following address:

Laveena Jain  
TA 168 & 187 Ground Floor, Gali No. 2, Tuglakabad Extn New Delhi-110019, India.  
**Tel:** 011-40504731;

**E-mail:** [cs@mymonteil.com](mailto:cs@mymonteil.com)

**Website:** [www.mymonteil.com](http://www.mymonteil.com)

Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

#### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

#### **Disposal of Investor Grievances by Listed Companies under the same management as the Company**

As on the date of this Prospectus our Company does not have any Listed Group Company.

#### **Changes in Auditors during the last three financial years**

Changes in the Auditors of our Company in the Last three years are set forth below:

<b>From</b>	<b>To</b>	<b>Date</b>	<b>Reason</b>
J Mehta & Company	S.C. Verma & Associates	03/05/2017	Pre-Occupation with other assignments

#### **Capitalisation of Reserves or Profits**

Save and except as stated in “*Capital Structure*” on page 44 of this Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

#### **Revaluation of assets**

Our Company has not revalued its assets since incorporation.

## **SECTION VIII – ISSUE RELATED INFORMATION TERMS OF THE ISSUE**

*The Equity Shares being issued shall be subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, SCRA, SCRR, our Memorandum and Articles of Association, the terms of this Draft Prospectus, Prospectus, Abridged Prospectus, Application Form, the Revision Form and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the application forms.*

### **Ranking of Equity Shares**

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank pari- passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer “*Main Provisions of Articles of Association*” on page 205 of this Prospectus.

### **Authority for the Issue**

This Issue has been authorized by a resolution of the Board passed at their meeting held on January 16, 2018 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on January 17, 2018.

### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations. For further details, in relation to dividends, please see the sections entitled “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 100 and 205, respectively.

### **Face Value and Issue Price per Share**

The face value of the Equity Shares is Rs.10.00 each and the Issue Price is Rs. 10.00 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under “*Basis for Issue Price*” on page 59 of this Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer “*Main Provisions of Articles of Association*” on page 205 of this Prospectus.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in New Delhi, India.

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to



make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond prescribed time after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

*In accordance with Regulation 106P(1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through this Prospectus and shall not be restricted to the minimum subscription level.*

*In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).*

*Further, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

### **Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Arrangements for Disposal of Odd Lots**

The trading of the equity shares will happen in the minimum contract size of 10,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

### **Minimum Application Value; Market Lot and Trading Lot**

In terms of section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI ICDR Regulations, trading in the Equity Shares shall only be in dematerialized form for all investors.

Trading of the Equity Shares will happen in the minimum contract size of 10,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 10,000 Equity Share subject to a minimum allotment of 10,000 Equity Shares to the successful applicants.

### **Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "Capital Structure" on page 44 of this Prospectus, and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "Main Provisions of Articles of Association" on page 205 of this Prospectus.

### **Option to receive Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, the Equity Shares in the Issue shall be allotted only in dematerialised form. Further, as per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchange.

### **Migration to Main Board**

Our Company may migrate to the main board of BSE from the SME Platform on a later date subject to the following:

- a) If the Paid up Capital of the company is likely to increase above Rs.25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of the company is more than Rs.10 crores but below Rs.25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Provided where there is any SEBI debarment order against the company/its promoters/directors, such company will not be eligible to migrate from SME to Main Board of BSE till such SEBI debarment order is in force. Accordingly, while seeking migration from the SME Board to the Main Board, our Company would be required to submit an undertaking that the Company / its Promoters / Directors have not been debarred by SEBI.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Platform for a minimum period of three years from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer "General Information – Details of the Market Making Arrangements for this Issue" on page 41 of this Prospectus.

In accordance with the SEBI Circular No.CIR/MRD/DSA/31/2012 dated November 27, 2012; it has decided to make applicable limits on the upper side for the Market Maker during market making process taking into consideration the Issue size in the following manner:

<b>Issue size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)</b>	<b>Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)</b>
Upto Rs.20 Crore	25%	24%
Rs.20 Crore to Rs.50 Crore	20%	19%
Rs.50 Crore to Rs.80 Crore	15%	14%
Above Rs.80 Crore	12%	11%

Further, the following shall apply to market maker while managing their inventory during the process of market making:

The exemption from threshold shall not be applicable for the first three months of market making and the market maker shall be required to provide two way quotes during this period irrespective of the level of holding.

Any initial holdings over and above such 5% of issue size would not be counted towards the inventory levels prescribed.

Apart from the above mandatory inventory, only those shares which have been acquired on the platform of the exchange during market making process shall be counted towards the Market Maker's threshold. Threshold limit will take into consideration, the inventory level across market maker.

The Market Maker shall give two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

Provided, where there is any SEBI debarment order against the company/its promoters/directors, while the SEBI debarment is in force against the company/its promoters/directors, it shall be mandatory for the company to appoint a trading member of BSE as a market maker even after the completion of mandatory period of three years. In case of any default during market making the penalties/actions will be imposed as per the existing guidelines.

#### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

#### **Period of Operation of Subscription List of Public Issue**

<b>Issue Opens On</b>	<b>January 31, 2018</b>
<b>Issue Closes On</b>	<b>February 06, 2018</b>

#### **Submission of Applications**

<b>Issue Period (except the Issue Closing Date)</b>	
Submission and Revision in Applications	Only between 10.00 a.m. and 5.00 p.m. IST
<b>Issue Closing Date</b>	
Submission and Revision in Applications	Only between 10.00 a.m. and 3.00 p.m. IST

#### **On the Issue Closing Date, the Applications shall be uploaded until:**

- (i) 4.00 p.m. IST in case of Applications by QIBs and Non-Institutional Investors, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Applications by Retail Individual Investors.

On Issue Closing Date, extension of time will be granted by Stock Exchange only for uploading Applications received by Retail Individual Investors after taking into account the total number of Applications received and as reported by the Lead Manager to the Stock Exchange.

**It is clarified that Applications not uploaded on the electronic bidding system or in respect of which the full Application Amount is not blocked by SCSBs would be rejected.**

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Applications one day prior to the Issue Closing Date. Any time mentioned in this Prospectus is IST. Applicants are cautioned that, in the event a large number of Applications are received on the Issue Closing Date, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer, whose post issue face value capital is more than ten crores rupees and upto twenty five crores rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 157 and 164 respectively of this Prospectus.

### Following is the Issue structure:

Public issue of 44,70,000 Equity Shares of face value of Rs.10.00 each of our Company for cash at a price of Rs.10.00 per Equity Share ("**Issue Price**") aggregating to Rs.447.00 lakhs ("**the Issue**") of which 2,30,000 Equity Shares aggregating to Rs.23.00 lakhs will be reserved for subscription by Market Maker ("**Market Maker Reservation Portion**"). The Issue less the Market Maker Reservation Portion i.e. issue of 42,40,000 Equity Shares of face value of Rs.10.00 each at an Issue Price of Rs.10.00 per equity share aggregating to Rs.424.00 lakhs is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 44.09% and 41.82%, respectively of the post issue paid-up equity share capital of our Company.

Particulars	Net Issue to Public <sup>^</sup>	Market Maker reservation portion
<b>Number of Equity Shares</b>	42,40,000 Equity Shares	2,30,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.85% of the Issue Size (50% for the Retail Individual Investors and the balance 50% for Other than Retail Individual Investors).	5.15% of the Issue Size
<b>Basis of Allotment/Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of 10,000 Equity Shares and Further allotment in multiples of 10,000 Equity Shares each.  For further details please refer to the section titled " <i>Issue Procedure – Basis of Allotment</i> " on page 171 of this Prospectus.	Firm Allotment
<b>Mode of Application*</b>	All Applications by the Applicants must be made compulsorily through ASBA mode (Online or Physical).	Through ASBA mode
<b>Minimum Application Size</b>	<b><u>For QIB and NII:</u></b> Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Value exceeds Rs.2,00,000  <b><u>For Retail Individuals:</u></b> 20,000 Equity Shares	2,30,000 Equity Shares
<b>Maximum Application</b>	<b><u>For QIB and NII:</u></b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations as applicable.  <b><u>For Retail Individuals:</u></b> 20,000 Equity Shares	2,30,000 Equity Shares
<b>Mode of Allotment</b>	Dematerialized Form	Dematerialized Form
<b>Trading Lot</b>	10,000 Equity Shares	10,000 Equity Shares. However the Market Maker may accept odd lots

		if any in the market as required under the SEBI (ICDR) Regulations.
<b>Terms of payment</b>	The SCSBs shall be authorized to block such funds in the bank account of the Applicant that are specified in the ASBA Application Form.	

*^As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue 'the allocation' is the net issue to the public category shall be made as follows: (a) Fifty percent to Retail Individual Investors; and (b) Remaining to Investors Other than Retail Individual Investors. The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.*

**If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.**

*\* In case of joint Application, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.*

### **Withdrawal of the Issue**

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and,
2. The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

### **Issue Programme**

<b>Issue Opening Date</b>	<b>January 31, 2018</b>
<b>Issue Closing Date</b>	<b>February 06, 2018</b>

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working day i.e. all trading days of stock exchanges excluding Sunday and bank holidays as per SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

## ISSUE PROCEDURE

*All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document") included below under section titled "Part B - General Information Document for investing in public issues", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.*

*Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable law and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus.*

**This section applies to all the Applicants. Please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.**

### PART A

#### Fixed Price Issue

The Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

#### Application Form

Copies of the Application Form and the abridged Prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE Limited ([www.bseindia.com](http://www.bseindia.com)), at least one day prior to the Issue Opening Date.

Pursuant to SEBI Circular dated September 27, 2011 and bearing No. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA Mode.

Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Forms for various categories is as follows:

Category	Colour of Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FIIs, FPI or FVCIs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue

\* Excluding electronic Application Forms

Designated Intermediaries (other than SCSBs) shall submit Application Forms to the respective SCSBs where the Applicant has a bank account, details of which were provided by the Applicant in his respective Application form and shall not submit it to any non-SCSB bank or any escrow bank.

An Applicant shall submit a completed Application Form to any of the Designated Intermediaries which include: (i) an SCSB, with whom the bank account to be blocked, is maintained; (ii) a syndicate member (or sub-syndicate member); (iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity); (iv) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity); (v) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

The Designated Intermediaries shall, at the time of receipt of Application, give an acknowledgement to Applicant, by giving the counter foil or specifying the Application number to the Applicant, as a proof of having accepted the Application Form, in physical or electronic mode, respectively.

- (i) For Applications submitted by Applicants to SCSB: After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the Stock Exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the Application money specified.
- (ii) For applications submitted by investors to other Designated Intermediaries: After accepting the Application Form, respective Designated Intermediary shall capture and upload the relevant details in the electronic bidding system of Stock Exchange.

Stock Exchange shall validate the electronic Application details with depository's records for DP ID, Client ID and PAN, by the end of each day and bring the inconsistencies to the notice of Designated Intermediaries concerned, for rectification and re-submission within the time specified by Stock Exchange. Stock Exchange shall allow modification of selected fields in the Application details already uploaded on a daily basis.

Syndicate Member/SCSB to note that stamp of Broker/SCSB/DP/RTA Branch shall be done only after Application has been uploaded

### Who can Apply?

In addition to the category of Applicants set forth under “- *General Information Document for Investing in Public Issues - Category of Investors Eligible to Participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### **Option to subscribe in the Issue**

- a. As per Section 29 of the Companies Act, 2013, allotment of Equity Shares will in dematerialized form only.
- b. The equity shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

### **Participation by Associates of Lead Manager**

Except for the Underwriting Obligations, the Lead Manager shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the Lead Manager may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis.

### **Application by Indian Public Including Eligible NRI's**

Application must be made only in the names of Individuals, Limited Companies or Statutory Corporations/ Institutions and not in the names of Minors (except through their Legal Guardians), Foreign Nationals, Non Residents (except for those applying on non-repatriation), Trusts (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants make application on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non- Resident (“FCNR”) ASBA Accounts, and eligible NRI Applicants make application on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs Applicants make applications on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs Applicants make applications on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

### **Applications by Mutual Funds**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to reject any Application without assigning any reason there for. Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

Applications made by asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications in respect of more than one scheme of a Mutual Fund will not be treated as multiple Applications, provided that such Applications clearly indicate the scheme for which the Application is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Applications by FPI (including FIIs and QFIs)**



On January 7, 2014, the SEBI notified the Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations 2014 (“**SEBI FPI Regulations**”) pursuant to which the existing classes of portfolio investors namely, ‘foreign institutional investors’ and ‘qualified foreign investors’ will be subsumed under a new category namely, ‘foreign portfolio investors’ or ‘FPIs’. On March 13, 2014, the RBI amended FEMA 20 and specified conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII which holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in the Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investors by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only if (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by, or on behalf of, it to any persons that are not regulated by an appropriate foreign regulatory authority.

#### **Applications by SEBI registered Venture Capital Funds, AIFs and Foreign Venture Capital Investors**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “**SEBI VCF Regulations**”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after notification of the SEBI AIF Regulations.

#### **Applications by limited liability partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership

Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason therefor.

#### **Applications by banking companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **Applications by insurance companies**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason therefor.

The exposure norms for insurers applicable to investment in equity shares, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 ("**IRDA Investment Regulations**"), as amended, are: (a) equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer; (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and; (c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time

#### **Applications by provident funds/pension funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs.2, 500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

#### **Applications by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

**In accordance with RBI regulations, OCBs cannot participate in the Issue.**

#### **Application under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs.25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs.25 Crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a). With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

(b). With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

(c). With respect to applications made by provident funds with minimum corpus of Rs.25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs.25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

*Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.*

*The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

#### **Maximum and Minimum Application Size**

##### **(a) For Retail Individual Applicants**

The Application must be for a minimum of 10,000 Equity Shares and in multiples of 10,000 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

##### **(b) For Other Applicants (Non Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 200,000 and in multiples of 10,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB or Non Institution Applicant cannot withdraw or lower its Application at any stage of Issue.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

#### **Information for the Applicants:**

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the registered office of the LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the name of Minors and/or their nominees shall not be accepted.

#### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp and acknowledge by the Designated Intermediary.

#### **Applicant's Depository Account and Bank Details**

**Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.**

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allocation Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **Procedure and Time Schedule for Allotment of Equity Shares**

The Issue will be conducted through the "Fixed Price Method" pursuant to which the Designated Intermediary will accept Applications for the Equity Shares during the Issue Period. Following the expiration of the Issue Period, our Company, in consultation with the Lead Manager, will determine the basis of allotment and entitlement to allotment based on the applications received and subject to the confirmation by the Stock Exchanges. Successful Applicants will be provided with a confirmation of their allocation for the Equity Shares within a prescribed time. The SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful Applicants within 4 days of the expiration of the Issue Period. The Equity Shares will then be credited and allotted to the investors demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

#### **Payment Instructions**

All Applicants are required to use the ASBA facility to make payment.

#### **Basis of Allotment**

Allotment will be made in consultation with BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of shares applied for).

2. The number of shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. total number of shares applied for into the inverse of the over subscription ratio).

3. For applications where the proportionate allotment works out to less than 10,000 equity shares the allotment will be made as follows:

- a) Each successful applicant shall be allotted 10,000 Equity Shares; and
- b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of shares allotted in that category is equal to the number of shares worked out as per (2) above.

4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 10,000 equity shares, the number in excess of the multiple of 10,000 would be rounded off to the nearest multiple of 10,000, subject to minimum allotment of 10,000 Equity Share.

5. If the shares allotted on a proportionate basis to any category is more than the shares allotted to the applicants in that category, the balance available shares for allocation shall be first adjusted against any category, where the allotted shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of shares. If as a result of the process of rounding off to the lower nearest multiple of 10,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.

6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

- a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
- b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
- c) The unsubscribed portion
- d) of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

As per Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 as amended, if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

### **Terms of Payment / Payment Instructions**

The entire Issue price of Rs. 10/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

- All Applicants are required to make use ASBA for applying in the Issue
- Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.
- Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- From one ASBA Account, a maximum of five Applications can be submitted.
- Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

### **Unblocking of ASBA Account**

- a. Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

- b. On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c. In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date

### **Electronic Registration of Applications**

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchange. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange.
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
5. The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
  - Name of the Applicant;
  - IPO Name;
  - Application Form number;
  - Investor Category;
  - PAN(of First Applicant, if more than one Applicant);
  - DPID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Numbers of Equity Shares Applied for;
  - Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number

In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.

7. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
8. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
10. The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
11. Only Applications that are uploaded on the online IPO system of the Stock Exchange shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchange and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

## **General Instructions**

### ***Do's:***

- Check if you are eligible to apply as per the terms of the Prospectus and under applicable law rules, regulations, guidelines and approvals;
- Ensure that you have Applied at the Issue Price;
- All Applicants should submit their Applications through the ASBA process only;
- Read all the instructions carefully and complete the Application Form in the prescribed form;
- Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicant's depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- Ensure that the Application Form is signed by the account holder in case the Applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
- Ensure that you request for and receive an acknowledgement of the Application from the concerned Designated Intermediary, for the submission of your Application Form;
- Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres) the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective banks to not release the funds blocked in the ASBA Account for any other purpose;
- Submit revised Application to such Designated Intermediary through whom the original Application was placed and obtain a revised acknowledgement;



- Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;
- Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that the signature of the First Applicant, in case of joint Application, is included in the Application Forms;
- Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that the category and sub-category is indicated;
- Ensure that in case of Application under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
- Ensure that Application submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that you tick the correct investor category, as applicable, in the Application Form to ensure proper upload of your Application in the online IPO system of the Stock Exchange;
- Ensure that the Application Form is delivered within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Ensure that the entire Application Amount is paid at the time of submission of the Application or in relation to the ASBA Applications, ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form.
- Ensure that while Applications submitted by companies, other corporates, trusts, etc., under powers of attorney, the relevant documents, including a copy of the power of attorney, are submitted along with the Application.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with;

***Dont's:***

- Do not Apply for lower than the minimum Application size;
- Do not Apply /revise Application Amount to less than or higher than the Issue Price;
- Do not Apply on another Application Form after you have submitted an Application to the Lead Manager, the SCSBs or the Registered Brokers, as applicable;
- Do not pay the Application Amount in cash or cheque or by money order or by postal order or by stock invest;

- The payment of the Application Amount in any mode other than blocked amounts in the bank account maintained with an SCSB shall not be accepted;
- Do not send Application Forms by post; instead submit the same to the Designated Intermediaries only;
- Do not Apply for an Application Amount exceeding Rs. 2,00,000 if you are applying under the Retail category;
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- Do not submit the General Index Register number instead of the PAN;
- Do not instruct your respective banks to release the funds blocked in the ASBA Account for any other purpose;
- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not Apply if you are not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
- Do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
- Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Other Instructions**

##### ***Joint Applications in the case of Individuals***

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

##### ***Multiple Applications***

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be

treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### **Grounds of Rejections**

Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Applicants are advised to note that the Applications are liable to be rejected, *inter-alia*, on the following grounds, which have been detailed at various places in this GID:-

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- Applications by OCBs;
- In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Application Form;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Submission of more than five Application Form as through a single ASBA Account;
- Applications for number of Equity Shares which are not in multiples of Equity Shares which are not in multiples as specified in the Prospectus;
- Multiple Applications as defined in the GID and the Prospectus;

- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and as per the instructions in the Prospectus and the Application Forms;
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchange; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.

**Applicants Should Note that in Case the PAN, the DP ID and client ID mentioned in the application form and entered into the electronic application system of the stock exchanges do not match with PAN, the DP ID and client ID available in the depository database, the application form is liable to be rejected.**

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who –*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Signing of Underwriting Agreement**

Vide an Underwriting Agreement dated January 17, 2018 this issue is 100% Underwritten.

### **Filing of the Prospectus with the ROC**

The Company will file a copy of the Prospectus with the ROC in terms of 26 of the Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price.

### **Issuance of a Confirmation of Allocation Note (“CAN”)**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the Brokers a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the

Applicant.

### **Designated Date and Allotment of Equity Shares**

(a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within six Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Issue Close Date.

### **Disposal of Applications and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 working days of closure of the issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 3 (three) working days of the Issue Closing Date;
- 2) Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
- 3) If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Undertakings by our Company**

Our Company undertakes the following:

- (i) if our Company does not proceed with the Issue after the Issue Closing Date the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly.
- (ii) If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the Stock Exchange(s)/RoC/SEBI, in the event our Company subsequently decide to proceed with the Issue.
- (iii) That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- (iv) all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue

Closing Date;

- (v) If Allotment is not made Application money will be refunded/unblocked within 15 Working Days from the Issue Closing Date or such lesser time as specified by SEBI or the application money will be refunded to the Applicants forthwith, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period
- (vi) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within 15 Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (vii) That funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- (viii) That no further issue of Equity Shares shall be made until the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;
- (ix) Adequate arrangements shall be made to collect all Application Forms from the Applicants;
- (x) That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
- (xi) Our Company shall not have recourse to the proceeds from the Issue until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

#### **Utilization of Issue Proceeds**

Our Board certifies that:

- (i) all monies received from the Issue shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013;
- (ii) details of all monies utilised out of the Issue referred to in sub item (i) shall be disclosed and continue to be disclosed until the time any part of the Issue proceeds remains unutilised, under an appropriate separate head in the balance-sheet of the Issuer indicating the purpose for which such monies had been utilised; and
- (iii) details of all unutilised monies out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.
- (iv) Our Company shall comply with the requirements of the SEBI (LODR) Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

Our Company declare that all monies received out of the Public Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## **Withdrawal of the Issue**

Our Company in consultation with the LM's reserves the right not to proceed with the Issue at anytime, including after the Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper. The Stock Exchanges where the Equity Shares are proposed to be listed shall also be informed promptly.

If the Company withdraws the Issue after the Application Closing Date, the Company will be required to file a fresh Offer Document with the Stock Exchange.

## **Equity Shares in Dematerialised Form with NSDL or CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated June 23, 2017 between NSDL, the Company and the Registrar to the Issue;
- (b) Agreement dated June 07, 2017 between CDSL, the Company and the Registrar to the Issue;

The Company's shares bear an ISIN No. INE740X01015.

- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

## **Communications**

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the designated intermediaries where the Application was submitted and a copy of the acknowledgement slip. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts etc.

## PART B

### General Information Document for Investing in Public Issues

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read this Prospectus before investing in the Issue.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken inter-alia through Fixed Price Issues. The purpose of the “*General Information Document for Investing in Public Issues*” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of Stock Exchange, on the website of the LM’s to the Issue and on the website of Securities and Exchange Board of India at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

##### 2.1 Initial Public Offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-issue face value capital does not exceed ten crores rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crores rupees and up to twenty five crores rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue is being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulations.



## 2.2 Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1, an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 and the Companies Act, 1956 to the extent applicable (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry- specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M(2) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within prescribed time from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- (e) The Issuer shall have Net Tangible assets of at least Rs. 3 crore as per the latest audited financial results.
- (f) The Net worth (excluding revaluation reserves) of the Issuer shall be at least Rs. 3 crore as per the latest audited financial results.
- (g) The Issuer should have a track record of distributable profits in terms of section 123 of Companies Act, 2013 for two out of immediately preceding three financial years or it should have net worth of at least Rs. 5 Crores.
- (h) The Post-issue paid up capital of the Issuer shall be at least Rs. 3 Crore.
- (i) The Issuer shall mandatorily facilitate trading in demat securities.
- (j) The Issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (k) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- (l) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- (m) The Company should have a website.
- (n) There has been no change in the promoter(s) of the Company in the one year preceding the date of filing application to BSE for listing on SME segment.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

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

Thus Company is eligible for the Issue in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital exceed Rs.10.00 crores. Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares.

### **2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Issue Opening Date, in case of an IPO and at least one Working Day before the Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### **2.4 Issue Period**

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange(s).

### **2.5 Migration To Main Board**

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

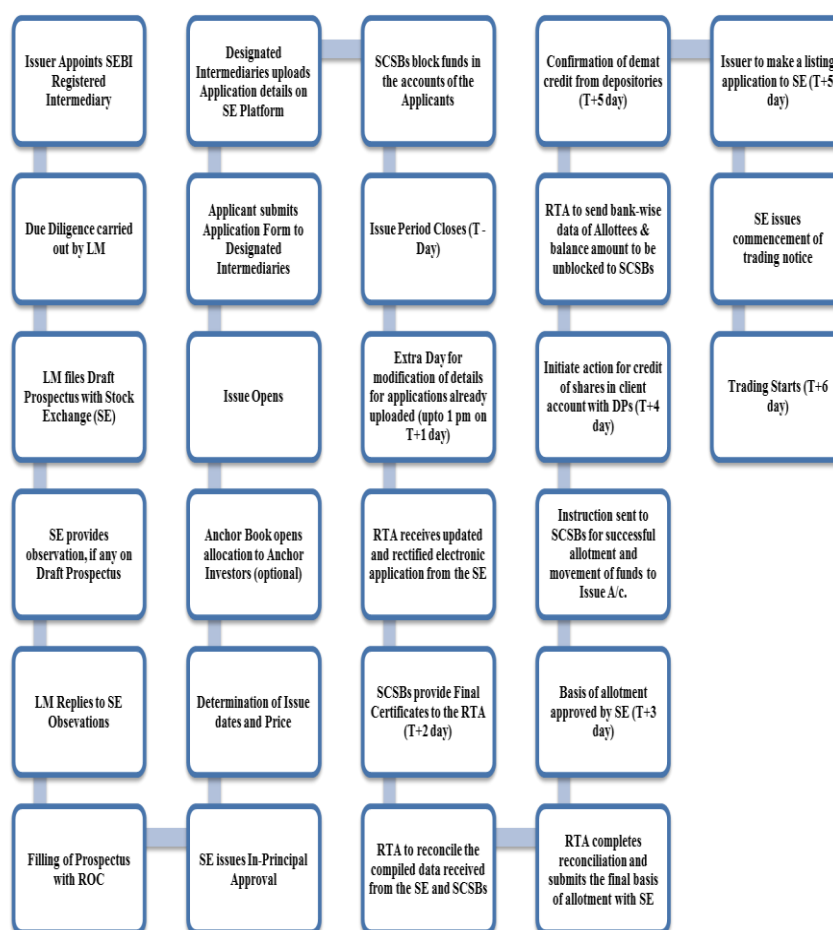
- (a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to Stock Exchange for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- (b) If the Paid up Capital of the company is more than 10 crores and upto Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **2.6 Flowchart Of Timelines**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows.



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

*Each Applicant should check whether it is eligible to apply under applicable law.* Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;

- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs cannot participate in this Issue

#### **SECTION 4: APPLYING IN THE ISSUE**

**Fixed Price Issue:** Applicants should only use the specified Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchange. Application Forms are available with the Designated Branches of the SCSBs and at the Registered Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Application Form for various categories of Applicants is as follows:

<b>Category</b>	<b>Colour of the Application Form</b>
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), FPIs, QFIs, on a repatriation basis	Blue

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

#### **4.1 INSTRUCTIONS FOR FILING THE APPLICATION(FIXED PRICE ISSUE) FORM**

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below. The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS</b>
	Address : ..... Contact Details: ..... CIN No .....	

LOGO **TO, THE BOARD OF DIRECTORS, XYZ LIMITED**

**BOOK BUILT ISSUE**

ISIN : .....

Bid cum Application Form No. \_\_\_\_\_

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	

<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	<b>6. INVESTOR STATUS</b> <input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH
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4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")										5. CATEGORY					
Bid Options	No. of Equity Shares, Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)				Retail Individual Bidder	Non-Institutional Bidder	QIB
	8   7   6   5   4   3   2   1		3   2   1		3   2   1		3   2   1		"Cut-off" (Please tick)						
Option 1															
(OR) Option 2															
(OR) Option 3															

<b>7. PAYMENT DETAILS</b> Amount paid (₹ in figures) _____ (₹ in words) _____	PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
ASBA Bank A/c No. _____	
Bank Name & Branch _____	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABBRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

<b>8A. SIGNATURE OF SOLE/ FIRST BIDDER</b>  Date : _____	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
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TEAR HERE

LOGO	<b>XYZ LIMITED</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	Bid cum Application Form No. _____
	<b>INITIAL PUBLIC ISSUE - R</b>		PAN of Sole / First Bidder _____

DPID / CLID _____	Amount paid (₹ in figures) _____	Bank & Branch _____	Stamp & Signature of SCSB Branch _____
	ASBA Bank A/c No. _____		
	Received from Mr./Ms. _____		
	Telephone / Mobile _____	Email _____	

TEAR HERE

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	Option 1    Option 2    Option 3 No. of Equity Shares _____ Bid Price _____ Amount Paid (₹) _____	Stamp & Signature of Broker / SCSB / DP / RTA _____	Name of Sole / First Bidder _____  <b>Acknowledgement Slip for Bidder</b>
	ASBA Bank A/c No. _____		Bid cum Application Form No. _____
	Bank & Branch _____		

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<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS</b>
	Address: _____ Contact Details: _____ CIN No: _____	
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN : _____
		Bid cum Application Form No. _____

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>
		Mr./Ms. _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	Address: _____
		Email: _____
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	Tel. No (with STD code) / Mobile: _____
		<b>2. PAN OF SOLE / FIRST BIDDER</b>
		_____

<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<b>4. INVESTOR STATUS</b>
For NSDL, enter 4 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	<b>NRI</b> Non-Resident Indian(s) (Repatriation basis)
	<b>FI</b> FI or Sub-account not a Corporate/Foreign Individual
	<b>FIIA</b> FI Sub-account Corporate/Individual
	<b>FVCI</b> Foreign Venture Capital Investor
	<b>FPI</b> Foreign Portfolio Investors
	<b>OTH</b> Others (Please Specify) _____

<b>4. BID OPTIONS (ONLY RETAIL/INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>	<b>5. CATEGORY</b>
<b>Bid Options:</b>	<input type="checkbox"/> Retail Individual Bidder
<b>No. of Equity Shares Bid (In Figures)</b> (Bids must be in multiples of Bid Lot as advertised)	<input type="checkbox"/> Non-Institutional Bidder
	<input type="checkbox"/> QIB
<b>Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</b>	<input type="checkbox"/> "Cut-off" (Please tick)
<b>Bid Price</b>	
<b>Retail Discount</b>	
<b>Net Price</b>	
Option 1	
OR) Option 2	
OR) Option 3	

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION - FULL PAYMENT</b> <input type="checkbox"/> <b>PART PAYMENT</b> <input type="checkbox"/>
Amount paid (₹ in figures) _____ (₹ in words) _____	
<b>ASBA</b>	
Bank A/c No. _____	
Bank Name & Branch _____	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNEXED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THIS "BIDDERS UNDERTAKING" AS GIVEN OVER/BEAR I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVER/BEAR.

<b>8A. SIGNATURE OF SOLE/ FIRST BIDDER</b>	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>
Date: _____	I/We authorize the SCSB to do all acts as are necessary to make the Application in the line: 1) _____ 2) _____ 3) _____	

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LOGO	<b>XYZ LIMITED</b> INITIAL PUBLIC ISSUE - NR	<b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b>	Bid cum Application Form No. _____
<b>DPID / CLID</b>			<b>PAN of Sole / First Bidder</b>
Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.			
Received from Mr./Ms.			
Telephone / Mobile	Email		

TEAR HERE

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Option 1</td> <td style="width: 25%;">Option 2</td> <td style="width: 25%;">Option 3</td> <td style="width: 25%;"></td> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td colspan="3"></td> </tr> <tr> <td>Bank &amp; Branch</td> <td colspan="3"></td> </tr> </table>	Option 1	Option 2	Option 3		No. of Equity Shares				Bid Price				Amount Paid (₹)				ASBA Bank A/c No.				Bank & Branch				Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
Option 1	Option 2	Option 3																									
No. of Equity Shares																											
Bid Price																											
Amount Paid (₹)																											
ASBA Bank A/c No.																											
Bank & Branch																											

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- 4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST APPLICANT**
- (a) Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
  - (b) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (including letters

notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

- (c) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
  - (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
  - (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*
- shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective Depository Participant.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST APPLICANT

- (a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Applications by Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic

details are not provided by depositories.

#### 4.1.3 **FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- (a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- (b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- (c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- (d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

#### 4.1.4 **FIELDNUMBER4:APPLICATIONDETAILS**

- (a) The Issuer may mention Price in the Draft Prospectus. However a prospectus registered with RoC contains one price.
- (b) Minimum And Maximum Application Size

- i. For Retail Individual Applicants

The Application must be for a minimum of 10,000 Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make Application for upto 20,000 Equity Shares.

- ii. For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 200,000 and in multiples of 10,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB and a NII Applicant cannot withdraw or lower its quantity or price in its application once the application is submitted and is required to pay 100% Margin upon submission of Application. In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

- (c) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to different Designated Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (d) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FPI sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for



common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

- (e) The following applications may not be treated as multiple Applications:
- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FPIs (or FPIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### 4.1.5 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- i. The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of application, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- ii. An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- iii. The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation, applicant may refer to the Prospectus.

#### 4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Applicants, such as NRIs, FIIs/FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- (c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- (d) Applicants should ensure that their investor status is updated in the Depository records.

#### 4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

4.1.8 All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full amount in the Application Form and the payment shall be made for Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.

- (a) Please note that, providing bank account details in the space provided in the Application Form is mandatory and Applications that do not contain such details are liable to be rejected.
- (b) In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through ASBA process providing details about the bank account which will be blocked by the SCSBs for the same.

#### 4.1.8.1 **Payment instructions for Applicants**

- (i) Applicants may submit the Application Form either (i) in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account, or (ii) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Application Form, or (iii) in physical mode to any Designated Intermediary.
- (ii) Applicants should specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (iii) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (iv) Applicants shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (v) From one ASBA Account, a maximum of five Application Forms can be submitted.
- (vi) Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (vii) Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Application Form, is maintained, has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Application Forms.
- (viii) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application form.
- (ix) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (x) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (xi) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (xii) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (xiii) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### 4.1.8.2 **Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application , (ii) the amount to be transferred from the relevant bank

account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection, if any to enable the SCSBs to unblock the respective bank accounts.

- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Applicant to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

#### 4.1.8.3 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Applicants applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Amount less Discount (if applicable).

Applicant may note that in case the net payment (post Discount) is more than two lakh Rupees, the system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### 4.1.9 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) Signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Amount mentioned in the Application Form.
- (d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

#### 4.1.10 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Applicants should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.
- (b) All communications in connection with Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, unblock fund, the Applicants should contact the Registrar to the Issue.
  - ii. In case of Applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. In case of queries relating to uploading of Applications by a Registered Broker, the Applicants should contact the relevant Registered Broker
  - iv. In case of Application submitted to the RTA, the Applicants should contact the RTA.
  - v. In case of Application submitted to the DP, the Applicants should contact the relevant DP.
  - vi. Applicant may contact our Company Secretary and Compliance Officer or LM in case of any other complaints in relation to the Issue.
- (c) The following details (as applicable) should be quoted while making any queries -

- i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
- ii. Name and address of the Designated Branch, as the case may be, where the application was submitted
- iii. ASBA Account number in which the amount equivalent to the Amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISIONFORM**

- (a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise their applications till closure of the Issue period or withdraw their applications until finalization of allotment.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>																												
LOGO	Address : ..... Contact Details: ..... CIN No .....	Bid cum Application Form No. _____																												
TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>BOOK BUILT ISSUE</b> ISIN : .....																													
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>																												
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	Mr. / Ms. _____ Address _____ _____ Email _____ Tel. No (with STD code) / Mobile _____																												
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b>																												
		<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL																												
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID																														
<b>PLEASE CHANGE MY BID</b>																														
<b>4. FROM (AS PER LAST BID OR REVISION)</b>																														
<b>Bid Options</b>	<b>No. of Equity Shares: Bid (Bid: must be in multiples of Bid Lot as advertised)</b> (In Figures)	<b>Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)</b> (In Figures)																												
	8   7   6   5   4   3   2   1	Bid Price    Retail Discount    Net Price    "Cut-off" (Please ✓/tick)																												
Option 1																														
(OR) Option 2																														
(OR) Option 3																														
<b>5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")</b>																														
<b>Bid Options</b>	<b>No. of Equity Shares: Bid (Bid: must be in multiples of Bid Lot as advertised)</b> (In Figures)	<b>Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)</b> (In Figures)																												
	8   7   6   5   4   3   2   1	Bid Price    Retail Discount    Net Price    "Cut-off" (Please ✓/tick)																												
Option 1																														
(OR) Option 2																														
(OR) Option 3																														
<b>6. PAYMENT DETAILS</b>																														
Additional Amount Paid (₹ in figures)		<b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b>																												
ASBA Bank A/c No.																														
Bank Name & Branch																														
<small>I/WE ON BEHALF OF JOINT APPLICANTS, IF ANY HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABBREVED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.</small>																														
<b>7A. SIGNATURE OF SOLE/ FIRST BIDDER</b>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>																												
Date : _____	I/We authorize the SCSB to do all acts as are necessary to make the Application in the laud 1) _____ 2) _____ 3) _____																													
TEAR HERE																														
LOGO	<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	<b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b>																												
		Bid cum Application Form No. _____																												
DPID / CLID		PAN of Sole / First Bidder																												
Additional Amount Paid (₹)	Bank & Branch	Stamp & Signature of SCSB Branch																												
ASBA Bank A/c No.																														
Received from Mr./Ms.																														
Telephone / Mobile	Email																													
TEAR HERE																														
<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>No. of Equity Shares</td> <td>Option 1</td> <td>Option 2</td> <td>Option 3</td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bank &amp; Branch</td> <td></td> <td></td> <td></td> </tr> </table>	No. of Equity Shares	Option 1	Option 2	Option 3	Bid Price				Additional Amount Paid (₹)				ASBA Bank A/c No.				Bank & Branch				<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>Stamp &amp; Signature of Broker / SCSB / DP / RTA</td> <td>Name of Sole / First Bidder</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td colspan="2" style="text-align:center;"><b>Acknowledgement Slip for Bidder</b></td> </tr> <tr> <td>Bid cum Application Form No.</td> <td></td> </tr> </table>	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder			<b>Acknowledgement Slip for Bidder</b>		Bid cum Application Form No.	
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Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

**4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

**4.2.2 FIELD 4 & 5: APPLICATION FORM REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Applicant must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form.
- (b) In case of revision of applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the application amount should not exceed Rs. 2,00,000/-. In case amount exceeds Rs. 2,00,000/- due to revision and the application may be considered, subject to eligibility, for allocation under the Non-Institutional Category.

#### 4.2.3 FIELD 6: PAYMENT DETAILS

- (a) All Applicants are required to make payment of the full application amount along with the Revision Form.
- (b) Applicant may Issue instructions to block the revised amount in the ASBA Account, to Designated Branch through whom such Applicant had placed the original application to enable the relevant SCSB to block the additional application amount, if any.

#### 4.2.4 FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### 4.3 SUBMISSION OF REVISION FORM/APPLICATION FORM

##### 4.3.1 Applicants may submit completed application form/Revision Form in the following manner:-

Mode of Application	Submission of Application Form
All Application	To the Designated Intermediary

### SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediaries.

Applicants may submit an Application Form either in physical form to the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only. The Application Form is also made available on the websites of the Stock Exchange at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

#### GROUNDS OF REJECTIONS

Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Applicants are advised to note that the Applications are liable to be rejected, *inter-alia*, on the following grounds, which have been detailed at various places in this GID:-

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- Applications by OCBs;
- In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Application Form;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Submission of more than five Application Form as through a single ASBA Account;
- Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Prospectus;
- Multiple Applications as defined in this GID and the Prospectus;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and as per the instructions in the Prospectus and the Application Forms;
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchange; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.

**Applicants should note that in case the PAN, the DP ID and client ID mentioned in the application form and entered into the electronic application system of the stock exchange by the brokers do not match with PAN, the DP ID and client ID available in the depository database, the application form is liable to be rejected.**

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of the GID.

## **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being Fixed Price Issue, this section is not applicable for this Issue.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

### **7.1 BASIS OF ALLOTMENT**

Allotment will be made in consultation with the BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) For applications where the proportionate allotment works out to less than 10,000 equity shares the allotment will be made as follows:
  - i. Each successful Applicant shall be allotted 10,000 equity shares; and
  - ii. The successful Applicants out of the total applicants for that category shall be determined by the

withdrawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.

- (d) If the proportionate allotment to an Applicant works out to a number that is not a multiple of 10,000 equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of 10,000 equity shares subject to a minimum allotment of 10,000 equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicants in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 10,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in the Prospectus.
- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Applicants as described below:
- i. As per Regulation 43 (4) of SEBI (ICDR), as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. The balance net offer of shares to the public shall be made available for allotment to
    - individual applicants other than retails individual investors and
    - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
  - iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required. 'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with SEBI (ICDR) Regulations.

## 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within six Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Issue Close Date.

## SECTION 8: INTEREST AND REFUNDS



## **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within six Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice within six Working Days of the Issue Closing Date.

## **8.2 GROUNDS FOR UNBLOCKING OF FUND/REFUND**

### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange for permission to deal in/list and for an official quotation of the Equity Shares. The Stock Exchange from where such permission is sought is disclosed in this Prospectus. The Designated Stock Exchange is disclosed in this Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange, the Issuer may forthwith take steps to refund, without interest, all moneys received from Applicants. If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, if the “amount stated in the Prospectus as minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus or such other period as may be specified by the Securities and Exchange Board, the application money has to be returned within such period as may be prescribed.

If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement to Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest at the rate of 15% p.a.

### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

## **8.3 MODE OF UNBLOCKING OF FUND/REFUND**

Within six Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application or in the event of withdrawal or failure of the Issue.

## **8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Issue Closing Date, if Allotment is not made.

## **SECTION 9: GLOSSARY AND ABBREVIATIONS**

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

<b>Term</b>	<b>Description</b>
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants.
Allottee	An Applicant to whom the Equity Shares are Allotted.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchange.
Application	An indication to make an offer during the Issue Period by a prospective investor pursuant to submission of Application Form, to subscribe for or purchase the Equity Shares of the Issuer at a price including all revisions and modifications thereto.
Application Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of the Prospectus.
Designated Intermediaries / Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue.
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) by an Applicant to make an Application authorizing the relevant SCSB to block the Application Amount in the relevant ASBA Account. Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No.CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all potential investors shall participate in the Issue only through ASBA process providing details about the bank account which will be blocked by the SCSBs.
ASBA Account	Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount in relation to an Application by an Applicant.
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Amount	The value indicated in Application Form and payable by the Applicant upon submission of the Application, less discounts(if applicable).
Banker(s)to the Issue/	The bank which is clearing members and registered with SEBI as Banker to the Issue with whom the Public Issue Account(s) may be opened, and as disclosed in the Prospectus and Application Form of the Issuer.
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue.
Issue Closing Date	The date after which the SCSBs may not accept any Application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation Applicants may refer to the Prospectus for the Issue Closing Date.
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (can submit their application inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI (ICDR) Regulations. Applicants may refer to the Prospectus for the Issue Period.
Book Building Process/ Book Building Method	The book building process as provided under SEBI (ICDR) Regulations.
Lead Manager(s)/Lead Manager/ LM	The Lead Manager to the Issue as disclosed in this Prospectus and the Application Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirm	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares

<b>Term</b>	<b>Description</b>
ation of Allotment Note	which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder.
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited.
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account following which the board of directors may give delivery instructions for the transfer of the Equity Shares constituting the Issue.
Designated Stock Exchange	The designated stock exchange as disclosed in the Draft Prospectus/ Prospectus of the Issuer.
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI (ICDR) Regulations.
Draft Prospectus	The Draft Prospectus filed with the Designated stock exchange in case of Fixed Price Issues and which may mention a price or a Price Band.
Employees	Employees of an Issuer as defined under SEBI (ICDR) Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details /Applicant may refer to the Prospectus.
Equity Shares	Equity shares of the Issuer.
FCNR Account	Foreign Currency Non-Resident Account.
Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
FPI(s)	Foreign Portfolio Investor
Fixed Price Issue/ Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI (ICDR) Regulations, in terms of which the Issue is being made.
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000.
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable.
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable.
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager.
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.

<b>Term</b>	<b>Description</b>
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Draft Prospectus/ Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares.
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less Market Maker Reservation Portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FPIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or RIBs and who have applied for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in this Prospectus and the Application Form.
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with SEBI.
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA.
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961.
Prospectus	This Prospectus to be filed with the RoC in accordance with the provisions of Section 26 of the Companies Act, 2013.
Public Issue Account	An account to be opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date.
QIB Category Qualified Institutional Buyers or QIBs	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis As defined under SEBI (ICDR) Regulations.
RTGS	Real Time Gross Settlement
Refunds through electronic transfer of funds	Refunds through ASBA
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in this Prospectus and Application Form.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations.
Retail Individual Investors / RIIs	Investors who applies or for a value of not more than Rs. 2,00,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Individual Shareholders	Shareholders of a listed Issuer who applies for a value of not more than Rs. 2,00,000.
Retail	The portion of the Issue being such number of Equity Shares available for allocation to RIIs

<b>Term</b>	<b>Description</b>
Category	which shall not be less than the minimum application lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Applicant in an issue to modify the quantity of Equity Shares in an Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SME IPO	Initial public offering as chapter XB of SEBI (ICDR) Regulation
SME Issuer	The Company making the Issue under chapter XB of SEBI (ICDR) Regulation
Stock Exchange/SE	The Stock Exchange as disclosed in this Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Self Certified Syndicate Banks or SCSBs	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the respective websites of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> )
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> )
Underwriter	The Lead Manager(s)
Underwriting Agreement	The agreement dated January 17, 2018 entered into between the Underwriter and our Company
Working Day(s)	All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 issued by SEBI.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated primarily through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP, issued the consolidated FDI Policy circular of 2017 (“**FDI Policy**”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“**FDI**”) Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, OCBs cannot participate in the Issue.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States.**

**Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The above information is given for the benefit of the Applicants. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.**

## SECTION IX – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

*Pursuant to the Companies Act and the SEBI (ICDR) Regulations, the main provisions of the Articles of Association are detailed below. Capitalized terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.*

### PRELIMINARY

1. The regulations contained in the Table 'F' in the Schedule I of the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles expressly incorporated herein below or by the Companies Act, 2013.
2. The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or deletion or alteration or modification or addition to its regulations by special resolutions and registration of the same with the Registrar as prescribed or permitted or required by the Companies Act, 2013, be such as are contained in these Articles.

### INTERPRETATION

3. In these Articles:
  - a) "Act" means the Companies Act, 2013 (hereinafter referred to as 'the Act') including Rules made thereunder or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.
  - b) "Annual General Meeting" means the annual general meeting of the Company convened and held in accordance with the Act.
  - c) "Articles" or "Articles of Association" means these articles of association of the Company as originally framed or as altered from time to time and registered with Ministry of Corporate Affairs/Registrar of Companies from time to time
  - d) "Board of Directors" or "Board", in relation to a company means the collective body of the directors of the Company.
  - e) "Capital" means the share capital for the time being raised or authorized to be raised for the purposes of the Company.
  - f) "Company" means **LORENZINI APPARELS LIMITED**.
  - g) "Debenture holders" means the duly registered holders from time to time of the debentures of the Company and shall include in case of debentures held by a Depository, the beneficial owners whose names are recorded as such with the Depository. "Dividend" includes interim dividend unless otherwise stated.
  - h) "Dividend" includes interim dividend unless otherwise stated.
  - i) "Electronic mode" means any communication by way of media like tele-conferencing, videoconferencing and any other electronic media.
  - j) "Extraordinary General Meeting" means an extraordinary meeting of the Company convened and held in accordance with the Act.
  - k) "Financial Year" shall have the meaning assigned thereto by the Act.

- l) “Independent Director” shall mean an independent director as defined under the Act and under Regulation 16(1)(b) of the Listing Regulations;
  - m) “India” shall mean the Republic of India;
  - n) “Law” shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and Securities Exchange Board of India, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or any other generally accepted accounting principles;
  - o) “Lien” shall mean any kind of security interest of whatsoever nature including any (i) mortgage, charge (whether fixed or floating), pledge, Lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing or conferring any priority of payment in respect of, any obligation of any person;
  - p) “MCA” shall mean the Ministry of Corporate Affairs, Government of India;
  - q) “Managing Director” means the Managing Director for the time being of the Company.
  - r) “Member” means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the Beneficial Owners whose names are recorded as such with the Depository.
  - s) “Memorandum of Association” means the Memorandum of Association of the Company as originally framed or altered from time to time.
  - t) “Month” means the English Calendar month.
  - u) “Office” means the Registered Office for the time being of the Company.
  - v) “Register” means the Registers of the Company to be maintained pursuant to the provisions of the Act.
  - w) “Registrar” means the Registrar of Companies, National Territory of Delhi and Haryana.
  - x) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
  - y) “Seal” means the common seal of the Company.
  - z) “SEBI” shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;
  - aa) “Transfer” means (in either the noun or the verb form and including all conjugations thereof with their correlative meanings) with respect to the shares, the sale, assignment, transfer or other disposition (whether for or without consideration, whether directly or indirectly) of any shares or of any interest therein or the creation of any third party interest in or over the shares, but excluding any renunciation of any right to subscribe for any shares offered pursuant to a rights issue to existing shareholders in proportion to their existing shareholding in the Company.
  - bb) “Writing” and “Written” means and includes words, hand written, printed, typewritten, lithographed, represented or reproduced in any mode in a visible form.
4. Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.



5. Expressions referring to writing shall be construed as including references to printing lithography, photography and other modes of representing or reproducing words in a visible form.
6. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

### **SHARE CAPITAL**

7. The authorized share capital of the Company shall be such amount as is given in Clause V of the Memorandum of Association.
8. Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the Company (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose-off the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
9. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
10. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
  - a) Equity share capital with voting rights;
  - b) Equity share capital with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
  - c) Preference share capital
11. Subject to the provisions of the Act and Rules, the Company shall have the power to issue Preferences Shares which are or at the option of the Company are liable to be redeemed on or before the expiry of a period of 20 years from the date of their issue and the resolution authorizing such issue shall prescribed the manner, terms and conditions of redemption.
12. Every person whose name is entered as a member in the register of members shall be entitled to receive share certificates within one monthsafter the allotment or within 15 days from the date of receipt by the Company, of the application complete in all respect for the registration of transfer or transmission or within such other period as the conditions of issue shall provide:
  - a) One certificate for all his shares without payment of any charges; or
  - b) Several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.
13. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for share to one of several joint holders shall be sufficient delivery to all such holders.

14. Shares may be issued and held either in physical mode or in dematerialized state with a depository. Notwithstanding anything contained herein, the Company shall be entitled to dematerialize or rematerialize its shares, debentures and other securities pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

Subject to applicable provisions of the Act, the Company may exercise an option to issue, dematerialize, hold the securities (including shares) with a depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the creation ties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof.

The Company shall intimate such depository the details of allotment of share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

15. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.

The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

16. The Company shall issue, when so required, receipts for all securities deposited with it whether for registration, sub-division, exchange or for other purposes and shall not charge any fees for registration of transfers, for sub-division and consolidation of certificates and for sub-division of letters of allotment, renounceable letters of right, and split, consolidation, renewal and transfer receipts into denominations of the market unit of trading.

“The Company shall issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within a period of thirty days from the date of such lodgement”.

17. Subject to the provisions of the Act, the Board, with the prior approval of shareholders the Company, shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed or converted to equity shares, on such terms and conditions and in such manner as determined by the Board, by way of special resolution, in accordance with the Act.

18. The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to:-

- a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
- b) employees under any scheme of employees' stock option; or
- c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

19. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

## **UNDERWRITING AND BROKERAGE**

20. Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
21. The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.
22. That option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings.

## **TRANSFER OF SHARES**

23. The instrument of transfer of any share and other securities in the Company shall be in such form as may be prescribed under the Act. The aforesaid securities transfer form shall be executed by or on behalf of both the Transferor and Transferee. The Transferor shall be deemed to remain the holder of such shares until the name of the Transferee is entered in the Register of Members in respect thereof. In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depository Act shall apply.
24. Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.
25. The Company on its own or through its Registrar & Transfer Agent shall maintain a "Register of Transfers" and shall record therein fairly and distinctly particulars of every Transfer or transmission of any Share, Debenture or other security held in a material form.
26. The Company shall have first and paramount Lien:
  - a) upon every share (except the fully paid up shares) registered in the name of each member, (whether solely or jointly with others);
  - b) upon the proceeds sale thereof for moneys called or payable at a fixed time in respect of shares (except the fully paid up shares); and
  - c) The Company's Lien, if any, on a Share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
27. The Board may decline to recognize any instrument of transfer unless:-
  - a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
  - b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - c) the instrument of transfer is in respect of only one class of shares.
28. On giving of previous notice of at least seven days or such period as may be prescribed under the Act and Rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. However such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in aggregate in any year.

29. The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever except where the Company has a Lien on shares. Further, any contract or arrangement between 2 (two) or more persons in respect of the Transfer shall be enforceable as a contract.
30. The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

### **TRANSMISSION OF SHARES**

31. On the death of a member, the survivor or survivors, where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares. Nothing in this article shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
32. Subject to provisions of Articles, any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either:-
  - a) to be registered himself as holder of the share; or
  - b) to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

A Person becoming entitled to a share by reason of the death or insolvency of a member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a member in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

33. The Board shall, in either case, have the same right to decline or suspend registration as it would have had if the deceased or insolvent member had transferred the share before his death or insolvency.
34. The Company shall be fully indemnified by such person for all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
35. The foregoing provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

### **FORFEITURE OF SHARES**

36. If any Member fails to pay the whole or any part of any call or installment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as the call or installment or any part thereof and other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person, if any, entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.

37. The notice shall name a day (not less than fourteen (14) days from the date of service of the notice) on or before which and the place or places at which such call, installment or such part thereof and other moneys as aforesaid and such interest and expenses as aforesaid are to be paid, and if payable to any person other than the Company, the person to whom such payment is to be made.

The notice shall also state that in the event of non-payment on or before the time and if payable to any person other than the Company, at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

38. If the requirement of any such notice as aforesaid is not be complied with, every or any of the shares in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installment, interest and expenses and other moneys due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other money payable in respect of the forfeited shares and not actually paid before the forfeiture.
39. Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
40. When any shares shall have been so forfeited, an entry of the forfeiture with the date thereof, shall be made in the Register of Members and notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture but no forfeiture shall be, in any manner invalidated by any omission or neglect to give such notice or to make any entry as aforesaid.
41. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims of and demands against the Company, in respect of the share and all other rights incidental to the share except only such of those rights as by these presents are expressly saved.
42. Any share so forfeited shall be deemed to be the property of the Company and may be sold or otherwise disposed of either to the original holder thereof, or to any other person upon such terms and in such manner as the Board shall think fit.
43. The Board may at any time before any share so forfeited shall have been sold or otherwise disposed of or re-allotted, annul the forfeiture thereof upon such conditions as they think fit.
44. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but such a person shall notwithstanding such forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest, expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so.
45. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
46. a) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;  
  
b) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute document w.r.t. transfer of the share in favour of the person to whom the share is sold or disposed of;

- c) The transferee shall thereupon be registered as the holder of the share; and
- d) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
47. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
48. The Board may subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering the share on such terms as they think fit.
49. The provisions of these foregoing regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
50. The foregoing provisions of Articles as regard forfeiture of shares shall, mutatis mutandis, apply to other securities including debentures of the Company.

#### **BORROWING POWERS**

51. Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion, raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the monies to be borrowed, together with the money already borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which monies may be borrowed by the Board of Directors.
52. The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.
53. To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.
54. Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or

conversion into Equity shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

#### **ALTERATION OF CAPITAL**

55. Subject to the provisions of the Act, the Company may by ordinary resolution:-

- a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
- c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- e) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking paripassu therewith;
- f) cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its Share Capital by the amount of the shares so cancelled.

Provided that the cancellation of shares as mentioned herein above shall not be deemed to be a reduction of share capital

56. The Company may from time to time in accordance with the provisions of the Act and by resolution passed the shareholders of the Company, reduce its share capital in any manner and in accordance with the provisions of the Act and the Rules made thereunder.

#### **CAPITALIZATION OF PROFITS**

57. (i) The Company in general meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause

(ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(iii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (iii), either in or towards:

- a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
- d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

58. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall: (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments

and issues of fully paid shares if any; and (b) generally do all acts and things required to give effect thereto.(ii) The Board shall have power: (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares; (iii) Any agreement made under such authority shall be effective and binding on such members.

59. For the purpose of issuance of bonus shares, Board is authorized to take all such other actions as may be necessary for that purpose; provided it is permissible to do so under the Act and Rules.

#### **BUY-BACK OF SHARES**

60. Notwithstanding anything contained in these Articles but subject to the applicable provisions of the Act and other applicable laws for the time being in force and as amended from time to time, the Company may purchase its own Equity shares or other Securities.

#### **REDUCTION OF CAPITAL**

61. The Company may from time to time in accordance with the provisions of the Act by resolution as specified in the Act, reduce:
- a) its share capital; and/ or,
  - b) any capital redemption reserve account; and or,
  - c) securities premium account; and or,
  - d) any other reserve in the nature of share capital.

and in particular may pay off any paid-up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum of Association by reducing the amount of its share capital and of its shares accordingly.

#### **GENERAL MEETINGS**

62. All general meetings other than annual general meeting shall be called extraordinary general meeting. The Board may, whenever it thinks fit, call an extraordinary general meeting.
63. The Board may, whenever it thinks fit, call an extra ordinary general meeting.
64. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
65. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to transact the business. The quorum for general meeting shall be as provided in the Act.
66. No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
67. The Chairperson of the Board shall preside as Chairperson at every general meeting of the Company. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of the Director to be Chairperson of the meeting and if no Director present be willing to take the Chair, the members present shall elect one of their members to be the Chairman of the Meeting.



68. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
69. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Companies Act, 2013 and Rules made thereunder.
70. The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and shall be made within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
71. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting is, or could reasonably be regarded as defamatory of any person, or is irrelevant or immaterial to the proceedings, or is detrimental to the interests of the Company.
72. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
73. The register of charges, register of investments, register of Shareholders, books of accounts and the minutes of the meetings of the Board and Shareholders shall be kept at the registered office of the Company and shall be open, during Business hours, for such periods not being less in the aggregate than 2(two) hours in each day as the Board determines, for the inspection of any member without charge. In the event such member conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of Law.
74. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.
75. Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred above, Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.
76. The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.
77. The Chairperson may, with the consent of any meeting at which quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

#### **VOTING RIGHTS**

78. Subject to any rights or restrictions for the time being attached to any class or classes of shares:-

- a) on a show of hands, every member present in person shall have one vote;
- b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company; i.e. one fully paid up share- one vote
- c) on e-voting, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company; i.e. one fully paid up share- one vote.

Provided that a proxy shall not have the right to speak at such a meeting and shall not be entitled to vote except on a poll.

79. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
80. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
81. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
82. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of Lien.

#### **PROXY**

83. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
84. An instrument appointing a proxy shall be in the form as prescribed in the Act. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
85. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given.

#### **BOARD OF DIRECTORS**

86. Subject to the provisions of the Act and unless otherwise determined by the Company in its general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).
87. The following shall be First Directors of the Company:
  1. Mr. Sandeep Jain
  2. Ms. Deepika Jain
88. Notwithstanding anything to the contrary in these Articles, so long as any moneys remain owing by the Company to any Public financial institution(s) and/or bank(s) owned or controlled by the Central Government or by the Reserve Bank of India out of any loan granted by the said Institutions to the Company, the said Institutions, may have a right from time to time to appoint one person as their nominee Director on

the Board of the Company and to remove from such office any person so appointed and to appoint any other person in his place; the said Nominee Director shall not be required to hold any qualification shares in the Company. Subject to aforesaid, the said Nominee Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

89. Subject to Section 149 and 152 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, subject to a minimum of 3 (three) directors and maximum of fifteen directors, and by a Special Resolution increase the number to more than fifteen directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.
90. The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.
91. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Regulations.
92. The Company shall have such number of Woman Director (s) on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable.
93. Subject to the provisions of the Act, all the Directors on the Board of the Company, other than Independent Directors, shall retire from office at the completion of the Annual General Meeting of the Company.
94. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.
95. The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act and rules made thereunder. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. Remuneration may be paid as fixed monthly remuneration and also as a commission based on profits.
96. Sitting fees, subject to ceiling as provided in the Act, may be paid to the directors other than managing director, joint managing director and whole-time director.
97. In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company or in connection with the business of the Company.
98. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
99. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
100. The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall

be appointed as an alternate director for an Independent Directors unless he is qualified to be appointed as an Independent Director under the provisions of the Act and the SEBI Listing Regulations. An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

101. If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated

### **POWERS OF BOARD**

102. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers and do all such acts and things as the Company is by the memorandum of association or otherwise authorized to exercise and do, and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

### **PROCEEDINGS OF THE BOARD**

103. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
104. The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
105. The quorum for a Board meeting shall be as provided in the Act.
106. The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law and participation in the Board meeting as mentioned above shall be counted for the purpose of quorum.
107. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
108. The continuing directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.
109. The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of them to be Chairperson of the meeting.

110. The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body or managing director or any other principal officer of the company except for those matters which are compulsorily required to be transacted only at the meeting of the board and delegation of such power is not permitted under the Act. Board while delegating the power to any Committee or person shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
111. A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be a Chairperson of the meeting.
112. A Committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present. In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
113. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
114. Save as otherwise expressly provided in the Act, a resolution passed by circulation in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.
115. The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.
116. The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such members or members of its body as it thinks fit.
117. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
118. The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law and participation in the Committee meetings as mentioned above shall be counted for the purpose of quorum.
119. The minutes duly signed by the Chairman of Board and Committees and duly confirmed by the Directors or members of Committees shall be conclusive evidence of the conduct of business and presence of directors at the Board Meeting.

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

120. Subject to the provisions of the Act, A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary or Chief

Financial Officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

121. A director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

### **REGISTERS**

122. The Company shall keep and maintain at its registered office the register including register of charges, register of members, register of directors, annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name, register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and index of members/debenture holders/other security holders and other registers (the “**Register**”) as required to be kept and maintained under the Act, or Rules made thereunder, the Depositories Act, 1996 and other applicable laws, with the details of shares/debentures/other securities held in physical and dematerialized form in any medium as may be permitted by law including any form of electronic medium.

The Register and index of beneficial owner maintained by a depository under Section 11 of the Depository Act, 1996 shall also be deemed to be the Register and index of members/debenture holders/other security holders for the purpose of the Companies Act, 2013 and any amendment or re-enactment thereof.

The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

### **THE SEAL**

123. The Board shall provide for the safe custody of the seal. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it on that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

### **DIVIDENDS AND RESERVE**

124. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.
125. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount, on such class of shares, and at such times as it may think fit.
126. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
127. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.
128. Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case

of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

129. Where any capital is paid in advance of calls made by the Company, any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right on the member (who has paid such advance) to dividend or to participate in profits.
130. Every such cheque or warrant shall be made payable on the order of the person to whom it is sent. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
131. Any 1 (one) of 2 (two) or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
132. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
133. No dividend shall bear interest against the Company.
134. (a) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.  
  
(b) The Board may retain dividends payable upon shares in respect of which any person is, under the transmission, entitled to become a member, until such person shall become a member in respect of such shares.
135. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

#### **RELATED PARTY TRANSACTIONS**

136. Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of Section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no Company shall enter into any contract or arrangement with a 'related party' with respect to:
  - (i) sale, purchase or supply of any goods or materials;
  - (ii) selling or otherwise disposing of, or buying, property of any kind;
  - (iii) leasing of property of any kind;
  - (iv) availing or rendering of any services;
  - (v) appointment of any agent for purchase or sale of goods, materials, services or property;
  - (vi) such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and
  - (vii) underwriting the subscription of any securities or derivatives thereof, of the Company:without the consent of the Shareholders by way of an Special Resolution in accordance with Section 188 of the Act.
137. No Shareholder of the Company shall vote on such Ordinary Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.
138. Nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis or to transactions entered into

between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the Shareholders at a Shareholders Meeting for approval.

139. The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.
140. The audit committee of the Board may provide for an omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed by applicable law.
141. The terms “office of profit” and “arm’s length basis” shall have the meaning ascribed to them under Section 188 of the Act.
142. The term ‘related party’ shall have the same meaning as may be prescribed to it under the Act.

The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

Subject to the Provision of Section 188 of Act, Non-executive Director of the Company may be eligible for fees with respect to the Consultancy and Advisory services provided by the Non-Executive Directors to the Company.

#### **ACCOUNTS**

143. Company shall prepare and keep at its books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of affairs of the Company, and that of its branch offices, and explain the transactions effected both at the registered office and its branch offices and such books shall be kept on accrual basis and according to double entry system of accounting. Books of accounts may also be maintained in electronic form.
144. The Books of Account shall be kept at the Registered Office or at such other place in India as the Directors think fit.
145. The Company shall preserve in good order the books of accounts relating to a period of not less than eight years preceding the current year together with vouchers relevant to entries in such books of accounts.
146. The books of account and books and papers of the Company, or any of them, shall be open for the inspection by directors in accordance with the applicable provisions of the Act and the Rules.
147. No member (not being a director) shall have any right of inspecting any books of account or books and papers or documents of the Company except as conferred by law or authorised by the Board.

#### **AUDIT**

148. The appointment including filing up of casual vacancies, qualifications, powers, rights, duties and remuneration of the Auditors shall be regulated by and in accordance with the Act and Rules made thereunder.
149. The Company shall comply with the provisions of the Act in relation to the audit of the accounts of Branch Offices of the Company.
150. An auditor can render such non- audit services to the Company as permissible under the Act subject to the approval of Board or audit Committee.



## SERVICE OF DOCUMENTS AND NOTICE

151. A document may be served on the Company or an officer by sending it to the Company or officer at Office of the Company by Registered Post, or by leaving it at the Office or by such other methods as may be permitted under law.
- a) A document (which expression for this purpose shall be deemed to have included and include any summons, notice requisition, process order, judgment or any other document in relation to or in winding up of the Company) may be served or sent to the Company on or to any member either personally or by sending it by post to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the service of notice to him or by electronic email.
  - b) All notices shall, with respect to any registered share to which persons are entitled jointly, be given to whichever of such persons is named first in the Register and the notice so given shall be sufficient notice to all the holders of such share.
  - c) Where a document is sent by post:
    - (i) Service thereof shall be deemed to be effected by properly addressing, paying and posting a letter containing the notice provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post without acknowledgement due and has deposited with the Company a sum sufficient to defray expenses of doing so, service of the document or notices shall not be deemed to be effected unless it is sent in the manner intimated by the member, and
    - (ii) Unless the contrary is provided, such service shall be deemed to have been effected
  - a) In the case of a notice of a meeting, at the expiration of forty-eight hours the letter containing the notice is posted; and
  - b) In any other case, at the time at which the letter would be delivered in ordinary course of post.
  - d) Where a document or notice is sent by electronic mail, the document or notice shall be deemed to have been delivered upon an electronic mail containing the document or notice being sent to the email address provided to the Company by the member.
  - e) Each registered holder of shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.
  - f) If a member has no registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.
  - g) A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.
  - h) Subject to the provisions of the Act and these Articles, notice of general meeting shall be given:
    - i) To the members of the Company as provided in the article.
    - ii) To the persons entitled to a share in consequence of the death or insolvency of a member.
    - iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any member or members of the Company.
    - iv) Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members, or any of them and not expressly provided for by the articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office

is situated.

- j) Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares shall be bound by every document in respect of such share which, previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derived his title to such share.
- k) Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Secretary (if any) or Officer as the Board may appoint or authorize. The signature to any notice to be given by the Company may be written or printed or lithographed.

#### **WINDING UP**

152. Subject to the applicable provisions of the Act and the Rules made there under:-

- a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **INDEMNITY AND INSURANCE**

153. Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer or employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which any such director, manager, company secretary and officer or employee may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or employee or in any way in the discharge of his duties in such capacity including expenses.

154. Subject as aforesaid, every director, managing director, manager, company secretary or other officer or employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

155. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

#### **GENERAL POWERS AND RESPONSIBILITY FOR THE ACT OF OTHERS**

156. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

157. Board of Directors of the company shall be authorised to take any action in the interest of company irrespective of the fact that any specific provision in these regulations is not contained in that regard, provided such action is otherwise permitted under the Act. Such action, if permitted under the Act, shall be deemed that they are taken in pursuance of regulations made under these articles.
158. Members of the Company by passing necessary resolution in their meeting may waive any condition imposed under these regulations for transaction of any business by the company or by the board of directors. After such waiver, the transaction shall be deemed to be carried as it was permitted and carried by exercising power and authority under these regulations.
159. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, Managing Director, the Manager, the Secretary or an authorized officer of the Company and need not be under its seal.
160. Subject to the provisions of the Act no Director or other Officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own willful act or default.
161. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

#### **SECURITY CLAUSE**

162. No member shall be entitled to inspect the Company's works without the permission of the Board or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Board will be inexpedient in the interest of the members of the Company to communicate to the public.
163. Every Director, Managing Directors, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law.
164. Any confidential information disclosed to a Member or Director shall not be used by him for any purpose other than for the exercise of rights or performance of obligation as a Member or Director of the Company and shall not be disclosed by him to any person, firm or Company.

#### **MISCELLANEOUS**

165. Subject to the provisions of these Articles and the Act no member or other person (other than a Director)

shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Board or the Managing Director or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery or trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Director sit will be inexpedient in the interests of the Company to communicate.

166. If any dispute, controversy or claim between the parties arises out of or in connection with or relating to the enforcement, performance of the terms and conditions of Articles such dispute shall be referred to binding Arbitration and determined in accordance with the Arbitration & Conciliation Act, 1996 and Rules made thereunder. Any Arbitral Award shall be final and binding on the parties and the parties waive irrevocably any rights to any form or appeal, review or recourse to any stage or other judicial authority in so far as such waiver may validly be made. The venue for Arbitration shall be Delhi and language for of proceedings shall be English.
167. Any dispute, controversy or claim between the parties arising out of or in connection with or relating to the enforcement, performance of the terms and conditions of Articles shall be construed in accordance with applicable Laws of India. The jurisdiction for any dispute arising under Articles of Company shall be only at Delhi.

**SECTION X – OTHER INFORMATION**  
**MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from date of filing the Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

**Material Contracts**

1. Issue Agreement dated January 17, 2018 between our Company and the Lead Manager.
2. Agreement between the Skyline Financial Services Private Limited and our Company dated May 15, 2017 appointing them as the Registrar to the Issue.
3. Underwriting Agreement dated January 17, 2018 between our Company and Underwriter.
4. Market Making Agreement dated January 17, 2018 among our Company, Lead Manager and Market Maker.
5. Public Issue Account Agreement dated January 17, 2018 among our Company, the Lead Manager, Banker to the Issue and Registrar to the Issue
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated June 23, 2017.
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated June 07, 2017..

**Material Documents**

1. Certificate of Incorporation of our Company dated May 09, 2007, issued by the Registrar of Companies National Capital Territory of Delhi and Haryana.
2. Fresh Certificate of Incorporation of our Company dated March 30, 2017 issued by the Assistant Registrar of Companies, Delhi pursuant to the conversion of our Company into a Public Limited Company.
3. Certified true copy of the Memorandum and Articles of Association of our Company, as amended.
4. Copy of the resolution passed at the meeting of the Board of Directors held on January 16, 2018 authorizing the Issue.
5. Special Resolution of the Shareholders passed at the Extraordinary General Meeting dated January 17, 2018 authorizing the Issue.
6. Statement of Special Tax Benefits dated January 18, 2018, issued by our Independent Peer Reviewed Auditor, PKJ and Co, Chartered Accountants.
7. Report of the Independent Peer Reviewed Auditor, PKJ and Co, Chartered Accountants dated January 18, 2018, on the Restated Financial Statements for the financial year ended March 31 2013, 2014, 2015, 2016, 2017 and for the period ended July 31, 2017 of our Company.
8. Copy of Certificate from the Statutory Auditor, S C Verma & Associates Chartered Accountants dated December 26, 2017 regarding the source and deployment of funds as on December 26, 2017.
9. Copy of Audited Financials for the financial year ended March 31, 2013, 2014, 2015 2016, 2017 and for the period ended July 31, 2017 of our Company.

10. Consents of Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Statutory Auditor, Independent Peer Review Auditor, Legal Advisor to the Issue, Banker to our Company, the Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Banker to the Issue, Lender to our Company, to act in their respective capacities.
11. Consent of Independent Peer Reviewed Auditor, PKJ and Co, Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Auditor on the restated financial information dated January 18, 2018, and statement of special tax benefits dated January 18, 2018.
12. Copy of approval from BSE *vide* letter dated January 22, 2018, to use the name of BSE in this document for listing of Equity Shares on SME Platform of BSE.
13. Due Diligence Certificate dated January 19, 2018 from the Lead Manager to BSE.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, with reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## SECTION X - DECLARATION

We, the undersigned, hereby certify and declare that, no statement made in this Prospectus contravenes any of the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or regulations/ guidelines issued, as the case may be. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY\

<b>Sandeep Jain</b> <i>Managing Director</i>	<b>Sd/-</b>
<b>Deepika Jain</b> <i>Whole-Time Director</i>	<b>Sd/-</b>
<b>Rajit Sehgal</b> <i>Non-Executive Director</i>	<b>Sd/-</b>
<b>Mohinder Rustagi</b> <i>Independent Director</i>	<b>Sd/-</b>
<b>Pardeep Singh</b> <i>Independent Director</i>	<b>Sd/-</b>
<b>Deepika Jain</b> <i>Chief Financial Officer</i>	<b>Sd/-</b>
<b>Laveena Jain</b> <i>Company Secretary &amp; Compliance Officer</i>	<b>Sd/-</b>

**Place:** New Delhi

**Date:** January 22, 2018