



## IRIS CLOTHINGS LIMITED

Our Company was originally incorporated as “Iris Clothings Private Limited” under the Provisions of the Companies Act, 1956 on August 27, 2011 bearing Corporate Identification Number U18109WB2011PTC166895 issued by the Registrar of Companies, West Bengal. Our Company was subsequently converted into a Public Limited Company and consequently name was changed to “Iris Clothings Limited” and Fresh Certificate of Incorporation was issued by the Registrar of Companies, West Bengal on July 24, 2018. For further details in relation to the change in the name of our Company, please refer to the section titled “History and certain Corporate Information” beginning on page 108 of this Prospectus.

**Registered Office:** 103/24/1, Foreshore Road, Shibpur, Binani Metal Compound, Howrah, West Bengal- 711102.

**Tel:** +91-33-26373856; **Fax:** +91-33-26404674;

**E-Mail:** [accounts@irisclothings.in](mailto:accounts@irisclothings.in) **Website:** [www.doreme.in](http://www.doreme.in)

**CONTACT PERSON: MR. NIRAJ AGARWAL, CHIEF FINANCIAL OFFICER**

**PROMOTERS OF THE COMPANY: MR. SANTOSH LADHA & MRS. GEETA LADHA**

**PUBLIC ISSUE OF 12,30,400 EQUITY SHARES OF RS. 10/- EACH (“EQUITY SHARES”) OF IRIS CLOTHINGS LIMITED (“ICL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. 90/- PER SHARE (THE “ISSUE PRICE”), INCLUDING A PREMIUM OF RS. 80/- PER SHARE, AGGREGATING TO RS. 1,107.36 LACS (“THE ISSUE”), OF WHICH, 62,400 EQUITY SHARES OF RS. 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (AS DEFINED IN THE SECTION “DEFINITIONS AND ABBREVIATIONS”) (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. ISSUE OF 11,68,000 EQUITY SHARES OF RS. 10 EACH IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.40% AND 25.06%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THIS ISSUE IS BEING ISSUED IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.**

*For further details see “Terms of the Issue” beginning on page 210 of this Prospectus.*

All potential investors may participate in the Issue through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page 219 of this Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH AND THE ISSUE PRICE IS 9 (NINE) TIMES THE FACE VALUE.**

### RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first Issue of our Company, there has been no formal market for the securities of our Company. The face value of the Equity Shares is Rs. 10/- and the Issue Price is 9 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager and as stated in the chapter titled on “Basis For Issue Price” beginning on page 65 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Prospectus. **Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 12 of this Prospectus.**

### ISSUER’S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited (“NSE Emerge”). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principal listing approval for the shares being offered in this Issue. However, our Company has received an approval letter dated 06.09.2018 from NSE for using its name in this offer document for listing of our shares on the SME Platform of NSE. For the purpose of this Issue, the designated Stock Exchange will be the NSE.

#### LEAD MANAGER



**VC CORPORATE ADVISORS PRIVATE LIMITED**  
31, Ganesh Chandra Avenue, 2<sup>nd</sup> Floor, Suite No. 2C,  
Kolkata – 700 013  
**Tel:** - (033) 2225 3940,  
**Fax:** (033) 2225 3941  
**Email:** [mail@vccorporate.com](mailto:mail@vccorporate.com)  
**Investor Grievance Email:** [grievance@vccorporate.com](mailto:grievance@vccorporate.com)  
**Website:** [www.vccorporate.com](http://www.vccorporate.com)  
**Contact Person:** Mr. Anup Kumar Sharma  
**SEBI REGN NO:** INM000011096

#### REGISTRAR TO THE ISSUE



**CAMEO CORPORATE SERVICES LIMITED**  
Subramanian Building No. 1,  
Club House Road, Chennai- 600002  
**Tel:** (044) 2846 0390/1989  
**Fax:** (044) 2846 0129  
**E-mail:** [cameo@cameoindia.com](mailto:cameo@cameoindia.com)  
**Website:** [www.cameoindia.com](http://www.cameoindia.com)  
**Contact Person:** Mr. R D. Ramasamy  
**SEBI REGN No:** INR 000003753

### ISSUE PROGRAMME

**ISSUE OPENS ON: WEDNESDAY, OCTOBER 10, 2018**

**ISSUE CLOSES ON: FRIDAY, OCTOBER 12, 2018**

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## DEFINITIONS AND ABBREVIATIONS

*This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time.*

*The words and expressions used in this Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms used in of the sections “Statement of Possible Tax Benefits”, “Financial Information” and “Main Provisions of Articles of Association” on pages 68, 131 and 263 respectively, shall have the meaning ascribed to such terms in such sections*

*Unless the context otherwise indicates, all references to “Iris Clothings Limited.”, “ICL;”, “Iris Clothing”, “We” or “us” or “our Company” or “the Issuer” or “the Company”, are to Iris Clothings Ltd. (Formerly known as Iris Clothings Private Limited), a Company incorporated under the Companies Act, 1956*

Term	Description
“ICL”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Iris Clothings Limited, a public limited company incorporated under the Companies Act, 1956 and having Registered Office at 103/24/1, Foreshore Road, Binani Metal Compound, Shibpur Howrah, West Bengal – 711 102

### COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/AOA	Articles of Association of our Company
Audit Committee	Audit Committee of our Company constituted in accordance with Section 177 of the Companies Act, 2013.
Auditors/ Statutory Auditors/ Peer review Auditors	The Statutory Auditors of our Company, being AMK & Associates, Chartered Accountants.
Banker to our Company	Axis Bank Limited, Corporation Bank Limited and State Bank of India as disclosed in the section titled “General Information” beginning on page 40 of this Prospectus
Board of Director(s)/the Board/our Board/ Director(s)	The director(s) on our Board, unless otherwise specified. For further details of our Directors, please refer to section titled “Our Management” beginning on page 111 of this Prospectus.
CIN	Corporate Identification Number.
Companies Act/Act	Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Mr. Niraj Agarwal
Company Secretary / CS / Compliance Officer	Mrs. Sweta Agarwal.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Iris Clothings Limited unless otherwise specified
ED	Executive Director
Equity Listing Agreement/ Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and the Emerge Platform of National Stock Exchange of India Limited.
Equity Shares	Equity Shares of our Company of face value of Rs 10/- each unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of our Company.

Group Companies	Companies which are covered under the applicable accounting standards and also other companies as considered material by our Board, as disclosed in <b>“Group Companies”</b> beginning on page 123 of this Prospectus.
Ind GAAP	Indian Generally Accepted Accounting Principles
Ind AS	Indian Accounting Standards
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled <b>“Our Management”</b> on page 111 of this Prospectus
Materiality Policy	The policy on determination of materiality, by our Board on 27.07.2018 in accordance with the requirements Regulation 30 of the SEBI (ICDR) Regulations.
MD	Managing Director
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, as disclosed in <b>“Our Management”</b> on page 111 of this Prospectus.
Promoter(s)	Promoters of our Company being Mr. Santosh Ladha and Mrs. Geeta Ladha
Promoter Group	Companies, individuals and entities (other than companies) as defined under Regulation 2, sub-regulation (zb) (ii) of the SEBI ICDR Regulations.
Registered Office	103/24/1, Foreshore Road, Binani Metal Compound, Shibpur Howrah, West Bengal – 711 102
ROC / Registrar of Companies	Registrar of Companies, Kolkata, West Bengal
SEBI Listing Regulations / Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time
WTD	Whole Time Director

#### ISSUE RELATED TERMS

Term	Description
Allot/ Allotment/ Allotted of Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the transfer of the respective portion of the Issued Shares by Company pursuant to the Issue of the Equity Shares to the successful Applicants.
Allocation/ Allotment of Equity Shares	The transfer of the Equity Shares pursuant to the Issue to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges.
Allottee (s)	A successful applicant (s) to whom the Equity Shares are being/ have been issued /allotted.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by all Applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB.  Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process.
ASBA Account	Account maintained by ASBA applicants/Investors with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant/Investor.
ASBA Application Location (s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Nagpur, Bangalore, Hyderabad and Pune.
ASBA Bid	A Bid made by an ASBA Applicant
ASBA Applicant(s)	Any Applicant in the Issue who intends to submit a Bid.
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus and the Prospectus

Term	Description
Basis of Allotment	The basis on which the Equity Shares will be Allotted as described in the section titled "Issue Procedure" - Basis of Allotment beginning on page 219 of this Prospectus.
Issue Closing Date	The date on which the Designated Intermediaries shall not accept applications for the Issue, which shall be published by our Company in all editions of Financial Express (English National Daily), all editions of Jansatta (Hindi National Daily) newspaper, and the Bengali edition of Aajkal (regional language) newspaper.
Issue Opening Date	The date on which the Designated Intermediaries shall start accepting applications for the Issue, which shall be published by our Company in all editions of Financial Express (English National Daily), all editions of Jansatta (Hindi National Daily) newspaper, and the Bengali edition of Aajkal (regional language) newspaper.
Issue Period	The period between the Bid/Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Applicants can submit their Bids, including any revisions thereof.
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 names and contact details of the Registered Brokers, are available on the website of the NSE on the following link:- <a href="http://www.NSEindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3">http://www.NSEindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3</a>
LM / Lead Manager	Lead Manager to the Issue, in this case being VC Corporate Advisors Private Limited
Business Day	Monday to Friday (except public holidays)
NSE SME/Emerge Platform of NSE	The SME platform of NSE Limited, approved by SEBI as an SME Exchange for listing of equity shares issued under Chapter X-B of the SEBI ICDR Regulations
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect ASBA forms from the Applicants, in relation to the Issue
Depository/ Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at <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> Syndicate-ASBA or at such other website as may be prescribed by SEBI from time to time.
Designated Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>

Term	Description
Designated Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</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.
Designated Market Maker	Choice Equity Broking Private Limited
Designated Stock Exchange	SME Platform of National Stock Exchange of India Limited
DP	Depository Participant
DP ID	Depository Participant's Identity number.
Draft Prospectus	The Draft Prospectus dated 20.08.2018 issued in accordance with the ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof
Category I Foreign Portfolio Investor(s)	FPIs who are registered as "Category I foreign portfolio investor" under the SEBI FPI Regulations
Category II Foreign Portfolio Investor(s)	FPIs who are registered as "Category II foreign portfolio investor" under the SEBI FPI Regulations
Category III Foreign Portfolio Investor(s)	FPIs who are registered as "Category III foreign portfolio investor" under the SEBI FPI Regulations
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
General Information Document	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 read with SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process.
ICDS	Income Computation and Disclosures Standards
Issue Price	The price at which the Equity Shares are being offered by our Company in consultation with the Lead Manager, under this Prospectus being Rs. 90/- per share
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please refer to section titled "Objects of the Issue" beginning on page 60 of this Prospectus.
Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE SME Platform. In our case, Choice Equity Broking Private Limited is the Market Maker to the Issue.
Market Making Agreement	The Market Making Agreement dated 14.09.2018 entered between our Company and Market Maker
Market Maker Reservation Portion	The reserved portion of 62,400 Equity Shares of Rs. 10/- each at an Issue Price of Rs. 90/- each to be subscribed by Market Maker.
MOU/ Issue Agreement	The Issue Agreement dated August 03, 2018 between our Company and Lead Manager.
Mutual Fund(s)	Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of up to 11,68,000 equity shares of face value Rs. 10/- each of Iris Clothings Limited for cash at a price of Rs. 90/- per Equity Share (the "Issue Price"), including a share premium of Rs. 80/- per equity share aggregating up to Rs. 1051.20 Lakh.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
Non Institutional Investors or NIIs	All Applicants, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for



Term	Description
	Equity Shares for an amount of more than Rs. 2 Lakh (but not including NRIs other than Eligible NRIs)
Overseas Corporate Body / OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual Applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Payment through electronic means	Payment through NECS, NEFT, or Direct Credit, as applicable.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus dated 24.09.2018, to be filed with the RoC in accordance with the provisions of Section 32 of the Companies Act, 2013.
Public Issue Account	The Bank Account opened with the Banker(s) to this Issue HDFC Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Applicants 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.
Quarter	A period of three consecutive months
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar / Registrar to this Issue /RTI	Registrar to the Issue being Cameo Corporate Services Limited.
Registrar Agreement	The agreement dated August 03, 2018, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIBs bidding in the QIB Portion and NIIs bidding in the Non-Institutional Portion are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Investors/RIIs	Individual Applicants or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to Rs. 2 Lakh in this Issue.
SEBI ICDR Regulations or SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
Self Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, Issuing services in relation to ASBA, a list of which is available on the website of SEBI at <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> Syndicate-ASBA.
SME Exchange	The Emerge Platform of the NSE i.e. NSE SME

Term	Description
SME Platform	The SME Platform of NSE i.e. NSE SME for listing equity shares Issued under Chapter XB of the SEBI ICDR Regulation which was approved by SEBI as an SME Exchange.
Underwriters	VC Corporate Advisors Private Limited
Underwriting Agreement	The Underwriting Agreement dated 12.09.2018 entered into amongst the Underwriters and our Company.
Working Days	All days, other than second and fourth Saturday of a month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to; and (a) Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

#### TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
DIPP	Department of Industrial Policy and Promotion
A/c	Account
CAGR	Compounded Annual Growth Rate
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
GST	Goods and Service Tax
CDSL	Central Depository Services (India) Limited
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India(Merchant Bankers) Regulations, 1992
NA	Not Applicable
NAV	Net Asset Value
NPV	Net Present Value
NRE Account	Non Resident External Account
NRIs	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDC	National Skill Development Corporation
NSDL	National Securities Depository Limited
O&M	Operations and Maintenance
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price/ Earnings Ratio
PAC	Persons Acting in Concert as per SEBI(SAST) 2011
PAN	Permanent Account Number
PAT	Profit After Tax
PE	Private Equity
PPP	Public Private Partnership
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Rs.	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
SEZ	Special Economic Zone



Term	Description
SOP	Standard Operating Procedure
SSI	Small Scale Industry
STT	Securities Transaction Tax
US/ United States	US/ United States
USD/ US\$/ \$	USD/ US\$/ \$
VCF / Venture Capital Fund	VCF / Venture Capital Fund
VAT	Value Added Tax

## CURRENCY CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY PRESENTATION

### Financial Data

Unless stated otherwise, the financial data in the Prospectus is derived from our audited financial statements for the 3 months period ended June 30, 2018 and financial years ended March 31, 2018; 2017; 2016; 2015 and 2014 prepared in accordance with Indian GAAP ('IGAAP'), the Companies Act and restated in accordance with the SEBI ICDR Regulations which are included in the Prospectus, and set out in the section titled "**Financial Statement**" beginning on page 131 of the Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In the Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

Pursuant to a SEBI circular dated March 31, 2016, with respect to financial information to be included in any offer document filed with SEBI on or after April 1, 2016 and until March 31, 2017, we have chosen to report our Restated Financial Statements, for the preceding five years, included in this Prospectus under Indian GAAP. Further, for risk in relation to IND (AS), see "**Risk Factor**" and "**Financial Statements**" for the preceding five years, included in this Prospectus, has been prepared under IGAAP, which varies in certain respects from other accounting principles, including IND (AS), which may be material to investors' assessment of our results of operations and financial condition. In order to comply with requirements applicable to public companies in India, subsequent to our Equity Shares being listed on the Stock Exchanges, we will be required to prepare our annual and interim financial statements under IND (AS), as applicable. IND (AS) is different in many respects from Indian GAAP under which our audited financial statements for statutory reporting purposes under the Companies Act have been prepared until Fiscal 2018. The preparation and presentation of our financial statements after listing may be not be comparable with, or may be substantially different from, the preparation and presentation of the Restated Financial Statement is being disclosed in this Prospectus.

There are significant differences between Indian GAAP and IND (AS). The Company has not attempted to quantify their impact on the financial data included herein. Accordingly, the degree to which the Restated 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, Indian GAAP, IND (AS), the Companies Act and the SEBI ICDR Regulations, on the Restated Financial Statements presented in this Prospectus should accordingly be limited. You should consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the sections / chapters titled "**Risk Factors**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on page numbers 12, 83 and 181 respectively of the Prospectus and elsewhere in the Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP.

## **Industry and Market Data**

Unless stated otherwise, industry data used throughout the Prospectus has been obtained or derived from 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 the Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in the 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.

## **Currency and units of presentation**

In the Prospectus, unless the context otherwise requires, all references to;

- 'Rupees' or '₹' or 'Rs.' or 'INR' are to Indian rupees, the official currency of the Republic of India.
- All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten Lakh' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

## **Exchange Rates**

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

## FORWARD LOOKING STATEMENTS

All statements contained in the 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 the Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in the 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.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. 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, national and international economies;
- ❖ Competition from existing and new entities may adversely affect our revenues and profitability;
- ❖ Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- ❖ Our business and financial performance is particularly based on market demand and supply of our products;
- ❖ The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- ❖ Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- ❖ Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- ❖ The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections "**Risk Factors**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 12, 83 and 181 of this Prospectus, respectively. 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 gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our group entity, the Directors, the Lead Manager, or any of their respective 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. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

## RISK FACTORS

*Investment in our Equity Shares involves a high degree of risk and you should not invest any funds in the Equity Shares of our Company unless you can afford to take the risk of losing all or a part of your investment. The risks and uncertainties described below together with the other information contained in this Prospectus should be carefully considered before making an investment decision in our Equity Shares. The risks described below are not the only ones relevant to the country or the industry in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise and may become material in the future and may also impair our business operations and financial condition. Further, some events may have a material impact from a qualitative perspective rather than a quantitative perspective and may be material collectively rather than individually. To have a complete understanding of our Company, you should read this section in conjunction with the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 83 and 181 respectively, as well as the other financial and statistical information contained in this Prospectus. If any of the risks described below, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, prospects, financial condition and results of operations could suffer materially, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.*

*Prior to making an investment decision, you should carefully consider all of the information contained in this Prospectus (including “Financial Statement” on page 131) and must rely on your own examination of our Company and the terms of the Issue including the merits and the risks involved. You should also consult your tax, financial and legal advisors about the consequences particular to you arising out of an investment in the equity shares of our Company. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks mentioned herein. We have described the risks and uncertainties that our management believe are material but the risks set out in this Prospectus may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In making an investment decision, you must rely on your own examination of our Company and the terms of the Issue including the merits and the risks involved. This Prospectus also contains forward-looking statements that involve risk and uncertainties. Our actual results could differ materially from those anticipated in these forward looking statements as a result of certain factors, including the considerations described below in the section entitled “Forward-Looking Statements” on page 11, and elsewhere in the Prospectus. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements*

- 1. There are certain outstanding legal proceedings involving our Company. Any failure to defend these proceedings successfully may have an adverse effect on our business prospects, financial condition, result of ongoing operations and reputation.**

Our Company is involved in legal proceedings, which if determined, against us could have adverse impact on the business and financial results of our Company. For details kindly refer chapter titled “Outstanding Litigation and Material Developments” at page 190 of this Prospectus. A brief detail of such outstanding litigations as on the date of this Prospectus are as follows:

Name of the entity	Criminal Proceedings	Civil/Arbitration Proceedings	Tax Proceedings	Labour Dispute	Consumer Compliant	Others	Aggregate Amount
<b>Company</b>							
By the Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	1	Nil	Nil	Nil	Nil
<b>Promoters</b>							
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Promoter							
<b>Group Companies</b>							
By the Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors other than Promoters</b>							
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**2. We require renewal of 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.**

Though we have all the approvals, licenses, registration and permits for our business as on date, we may require renewal of the same time to time during the course of our business. There can be no assurance that the relevant authorities will renew 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 chapter titled “Government and Other Approvals” on pages 193 respectively of this Prospectus.

**3. Our cost of raw material is exposed to fluctuations in the prices of material.**

Our Company is dependent on third party suppliers for procuring the raw materials. We are exposed to fluctuations in the prices of the materials as well as its unavailability, particularly as we do not enter into any long-term supply agreements with our suppliers and our major requirement is met in spot market. We also face the risk associated with compensating for or passing on such increase in our cost on account of such fluctuations in the prices of our customers. Upward fluctuations in the prices of materials may thereby affect our margin and profitability, resulting in material adverse effect on our business, financial condition and results of operations. Though we enjoy favorable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost effective manner would cause delays in our production cycle and delivery schedules, which may result in the loss of our customers and revenues.

**4. Substantial portion of our revenues has been dependent upon our few distributors. The loss of any one or more of our major distributors would have a material adverse effect on our business operations and profitability.**

For the three (3) months period ended June 30, 2018, our top ten largest distributors accounted for approximately 38.90% of our revenues from operations while for the financial years ended March 31, 2017, our ten largest distributors accounted for approximately 26.5% respectively of our revenues from operations. The loss of a significant distributor or distributors would have a material adverse effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these distributors or that we will be able to replace these distributors in case we lose any of them. Furthermore, major events affecting our distributors, such as bankruptcy, change of management, mergers and acquisitions could adversely impact our business.

**5. Our business is dependent on our manufacturing facilities. Any loss or shutdown of operations at any of our manufacturing facilities may have an adverse effect on our business and results of operations.**

We have four manufacturing/ processing facilities all located at Howrah District in West Bengal at i) Belvedere Mill Complex, South Sankrail, Howrah, West Bengal (Designing, Cutting and Printing unit), ii) M J Industrial Park, Satghoria, Panchla, Howrah West Bengal (Stitching, Mending and Finishing Unit), iii) 44, Foreshore Road,

Howrah, West Bengal (Processing, Finishing and Dispatch Unit) iv) Binani Metal compound, 103/24/1, Foreshore Road, Howrah, West Bengal (Processing, Storage and Dispatch Unit). As a result, the concentration of our major manufacturing facilities in one particular region exposes us to the risk of any adverse conditions in this region, such as natural calamities, civil disturbances or any adverse political, social or economic conditions, the occurrence of which could have a material adverse effect on our business, financial condition and results of operations. We have not experienced any of these operating risks in the past. Although, we have contingency plans to meet most of our operating risks we cannot assure you about the adequacy of such plans.

**6. *We may not be able to adapt to changing market trends and customer requirements in the market in a timely manner, or at all.***

The market for garments in the country is highly competitive with several players present in various segments in brick and mortar stores and through third party e-commerce platforms. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to modify our products and their prices on a timely basis, we may lose customers to our competitors (located in brick and mortar stores and on third party ecommerce platforms), or may be forced to reduce our sales realization on products by having to offer them at a discount, thereby reducing our margins. For instance, manufacturing for a season begins well in advance of the season and we may not be able to incorporate the prevalent trends, or accommodate any sudden emergence of a new trend that may be germane to that season in the collection being released. If our competitors are able to cater to these markets, or if we are not able to anticipate the demand, or misjudge the quantity, inter alia, this could lead to lower sales, higher inventories and higher discounts, each of which could have a material adverse effect on our brand, reputation, results of operations and financial condition.

**7. *Our businesses are working capital intensive and we cannot assure you that we will be able to obtain the financing we need to meet such requirements and pursue our growth strategy on terms acceptable to us, or at all and our lenders may change their lending practices, which may have a negative impact on our business.***

Our working capital requirements and growth strategy require continued access to significant amounts of working capital on acceptable terms as we have a higher stocking and receivable cycle. Our ability to arrange financing and the costs of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from Banks, the amount and terms of our existing indebtedness, investor confidence, the continued success of current projects and laws that are conducive to our raising capital in this manner. Our attempts to consummate future financings may not be successful or be on terms favourable to us or at all. In addition, our ability to raise funds, either through equity or debt, is limited by certain restrictions imposed under Indian law.

**8. *The success of our business operations depends largely upon our Promoter Directors and Key Managerial Personnel, the loss of any of them may negatively impact our business operations and financial conditions.***

Our success is substantially dependent on the expertise and services of our Directors, Promoter and Key Managerial Personnel (“KMP”). They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for KMP in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

**9. *We do not generally enter into agreements with our suppliers of raw materials and accordingly may face disruptions in supply from our current suppliers.***

We generally do not enter into agreements with our suppliers for purchase of raw material, and typically transact business on an order-by-order basis. There can be no assurance that there will not be significant disruption in the supply of raw materials from current sources or, in the event of a disruption, that we would



be able to locate alternative suppliers of materials of comparable quality at an acceptable price, or at all. Identifying a suitable supplier 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.

**10. Currently we manufacture our products in our in house brand “Doreme”, if we are unable to built, develop and enhance our in-house brand ‘Doreme, we will have to depend on seeking business from others.**

We believe that building, developing and enhancing our in house brand ‘Doreme’, is critical to expand and diversify our business risk. Developing and enhancing our brand may require us to make substantial investments in areas such as research and development, marketing and employee training, and these investments may not be successful. In particular, as we expand into new geographic markets, consumers in these markets may not accept our brand. We anticipate that, as our business expands into new markets and as the market becomes increasingly competitive, establishing and enhancing our brand may become increasingly difficult and expensive. Our brand may also be adversely affected if our public image or reputation is tarnished by negative publicity.

Maintaining and enhancing our brands will depend largely on our ability to 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, which we may not do successfully. If we are unable to maintain or enhance our brand image, our results of operations may suffer and affect our profitability margins going forth.

**11. We are subject to stringent labor laws or other industry standards and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition and results of operations.**

Our manufacturing activities are labor-intensive. As on date, we have about 600+ employees. We are subject to a number of stringent labor laws that protect the interests of workers, including legislation that stipulates rigorous procedures for dispute resolution and retrenchment of workers that imposes financial obligations on employers. Strikes, lock-outs and other labor action may have an adverse impact on our operations, and we cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future.

**12. Though we have not experienced any such incidents in the past. Also, our third-party suppliers may experience strikes or other labor disruptions and shortages that could affect our operations, possibly for a significant period of time, result in increased wages, shortage in manpower and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition. Additionally, our inability to recruit employees, in particular skilled employees and retain our current workforce could have a material adverse effect on our business, financial condition and profitability. Conflicts of interest may arise out of common business objects shared by our Company and our Promoter Company.**

Our Promoter Company ‘Iris Fashions Private Limited’ and ‘Iris Apparels Private Limited’ are having the common business objects with our Company though currently not competing with our Company. There can be no assurance that our Promoter Company will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

**13. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.**

We intend to use entire Issue proceeds for working capital, general corporate purposes and issue expenses. We intend to deploy the Net Issue Proceeds in Financial Year 2018-19, and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc. For further details on the use of the Issue Proceeds, please refer chapter titled “Objects of the Issue” beginning on page 60 of this Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company's Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled 'Objects of this Issue' beginning on page 60 of this Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. However, Audit Committee will monitor the utilization of the proceeds of this Issue. Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with schedule commercial banks included in schedule II of the Reserve Bank of India Act, 1934.

**14. Loss Making Group Company:**

One of our group Company named Iris Fashions Private Limited has suffered losses in the past and has negative net worth as detailed below:

Amount in Rs.			
Particulars	2017-18	2016-17	2015-16
Profit After Tax	(13,53,108.17)	29,735.76	3,10,532.52
Net Worth	(86,93,976.23)	(73,40,868.06)	(73,60,603.82)

**15. Our Company had an over due of Rs. 4.72 Crs as on 31.03.2018 relating to a material creditor.**

Our company has a material creditor of an amount of Rs. 4.72 crores outstanding with an overdue of more than 30 days. For details kindly refer chapter titled "Outstanding Litigation and Material Developments" at page 190 of this Prospectus.

**16. Our insurance policy does not cover all risks, specifically risks like loss of profits, terrorism etc. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.**

Our Company has obtained insurance coverage in respect of standard fire, earth quake and special perils for our all the assets of our Company. We maintain an insurance coverage which we believe is reasonably adequate to cover all fire related risks associated with the operation of our business. However, we may suffer loss, where the loss exceeds our insurance limits. Moreover, we may be unable to successfully assert our insurance claims resulting in losses. 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.

**17. We have in the past entered into related party transactions and may continue to do so in the future.**

Our Company has entered into certain transactions with related parties, including our promoter, director and Group Company. While we believe that all such transactions have been conducted on the arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to Annexure 32.3 "Related Party Transactions" in Section titled "Financial Information" beginning on page 131 of this Prospectus.

**18. Our ability to pay dividend in the future will depend upon our earnings, financial condition, cash flows, working capital requirements and capital expenditure.**

We have not paid any dividend since incorporation. Our future ability to pay dividend will depend on our earnings, financial condition, cash flows, working capital requirements and capital expenditure. Dividend distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividend to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may not be able to pay dividend in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

**19. Our Company has during the preceding 12 months from the date of prospectus allotted equity shares at a price which is lower than the issue price.**

Our Company has issued equity shares in the last twelve months at a price lower than the issue price as detailed below:

Date of Allotment of the Equity Shares	No. of Equity Shares Allotted	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Allotment	Nature of Consideration
June 19, 2018	6,20,779	10/-	38/-	Private Placement	Cash

For further details, please refer chapter titled "Capital Structure" on page no 47 of this Prospectus.

**20. We have significant power requirements for continuous running of our factories. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.**

Our factories, godown and offices have significant electricity requirements and any interruption in power supply to our factories, godown and offices may disrupt our operations. Our business and financial results may be affected by any disruption of operations. We depend on third parties for all of our power requirements. Since we have significant power consumption, any unexpected or significant increase in its tariff can increase the operating cost of factories, godown and offices and production cost which we may not be able to pass on to our customers. There are limited number of electricity providers in area from where we operate due to which in case of a price hike we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition and results of operations.

**21. Any disruption in our turnover or failure to regularly grow the same may have a material adverse effect on our business, results of operations and financial condition.**

Our inability to regularly grow our turnover and effectively execute our key business orders could lead to lower profitability and hence adversely affect our operating results, debt service capabilities and financial conditions. Due to the nature of the products we sell, we may not be able to charge higher margins on our products. Hence, our business model is heavily reliant on our ability to effectively grow our turnover and manage our key processes including but not limited to raw material procurement, renewal of distribution rights and timely sales/order execution and continuous cost control of core activities.

**22. Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our cash flows, business results of operations and financial condition**

As a manufacturing company, we are required to comply with various laws and regulations relating to the environment, health and safety. Our operations are subject to local environmental laws and regulations

including the Environment (Protection) Act, 1986, Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974. Though we have all the approvals in place as on date, any change may require any additional compliance and costs.

**23. An inability to manage our growth could disrupt our business and reduce our profitability**

We have experienced high growth in recent years and expect our business to grow significantly as a result of our operations. We expect this growth to place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across the organization.

In particular, continued expansion increases the challenges involved in:

- maintaining high levels of quality;
- recruiting, training and retaining sufficient skilled management and marketing personnel;
- increasing the strength and depth of our management personnel to address future growth;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.

An inability to manage our growth may have an adverse effect on our cash flows, business and results of operations.

**24. 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 “Our Industry” section of this Prospectus on page 71 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.

**25. We do not own the registered office from which we operate. Any dispute in relation to use of the premises would have a material adverse effect on our business and results of operations.**

The registered office of our Company is located at 103/24/1, Foreshore Road, Shibpur, Howrah- 711102. The said premise originally belongs to Kolkata Port Trust (“KPT”). Our Company had taken the premises on rent from Ashamangal Portfolio Private Limited. KPT had filed a case against Ashamangal Portfolio Pvt Ltd at Hon’ble High Court of Calcutta and the Court had vide its order dated 15.11.2016 directed all occupants to pay their respective rents directly to KPT. In adherence with the said Order, our Company have been regular in depositing all rents directly to KPT and have filed an application dated 16.11.16 with the Land Officer of Kolkata Port Trust to lease out the said premises in favor of the Company. Currently the said application is pending at the concerned department of KPT. Although our Company expects to get the said lease duly approved in its favor, the possibility of rejection of the said application cannot be ruled out. Rejection of our application could force us to procure new premises, including substantial time and cost of relocation or procure new premises. In addition, we may not be able to identify satisfactory new premises or may have to incur substantial additional costs towards those premises. Any of the aforesaid could have a material adverse effect on our business, results of operation and financial condition.

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

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

**27. There is 1 trademark applications pending with the Trademark Registry for registration and 1 Copyright application pending with Copyright Registry. Our success depends on our trademarks and proprietary rights and any failure to protect our intellectual property rights may adversely affect our competitive position.**

As on the date of the Prospectus, we have 2 registered trademarks as labels and 2 registered trademark. We have made application for copyrights which is pending with the Copyright registry. We own intellectual property rights, in particular, trademarks and copyrights, which are fundamental to our brand, which gives us a competitive advantage. We use our intellectual property rights to promote and protect the goodwill of our brand, enhance our competitiveness and otherwise support our business goals and objectives. Our inability to protect our existing and future intellectual property rights may adversely affect our Company’s business. Further, any delay or refusal to register the aforementioned pending trademarks could adversely affect our business. We cannot guarantee that all the pending applications will be decided in the favour of the Company or that third parties would not infringe upon our intellectual property or any order restraining or prohibiting us from using the trademarks would not be imposed upon us. If any of our trademarks and copyright are not registered it can allow any person to use a deceptively similar mark and market its product which could be similar to the products offered by us. In such a case protection of the trademark may be difficult and we may be a party to litigation for infringement. In addition, we may not be able to detect any unauthorized use or take appropriate and timely steps to protect our intellectual property rights. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease. We cannot provide any assurance that third parties will not infringe upon our trademark, trade names, logos or brand names and thereby cause damage to our business prospects, reputation or goodwill. For more details please refer to the chapter titled “Government and Other Approvals” beginning on page 193 of this Prospectus.

**28. Our Company has reported certain negative cash flows from its operating, investing and financing activities, details of which are given below. Any such recurrence in future, could impact our growth and business plans in the future.**

Our Company has reported certain negative cash flows from its operating, investing and financing activities in the previous years as per the restated financial statements as follows:

Amount in Rs.

Particulars	For the 3 months period ended	For the year ended March, 31				
		30.06.2018	2018	2017	2016	2015
Cash flow from Operating activities	2,63,82,435	3,32,40,501	6,65,57,786	5,31,24,311	1,91,13,621	(3,18,15,111)
Cash flow from Investing activities	(34,10,445)	(5,63,08,067)	(7,69,00,237)	28,65,600	(67,23,244)	1,14,37,945
Cash flow from Financing activities	(1,87,99,385)	2,28,67,882	1,07,41,186	(5,57,90,585)	(1,29,69,390)	2,12,77,690

For details, please refer 'Management's Discussion and Analysis of Financial Conditions and Results of Operations of our Company on page no. 181 of this Prospectus.

**29. Our operations currently benefit from the Technology Upgradation Fund Scheme ("TUFs"). In the event we are unable to continue to benefit from TUFs, our financial condition and results of operations may be adversely affected**

The Ministry of Textiles, Gol, launched the TUFs for the textile, jute and cotton ginning and pressing industries for a five year period from April 1, 1999 to March 31, 2004, which was later extended for the duration of the twelfth five year plan (financial year 2012 to 2017) and thereafter again for 5 years from (financial year 2017 to 2022). TUFs aims at providing capital for modernization of Indian textile industry, by leveraging investments in technology upgradation in the textiles and jute industry. The TUFs provides for interest reimbursement of 5% on the interest charged by a lending agency for financing of a project of technology upgradation in conformity with the TUFs. For the financial year ended March 31, 2018, March 31, 2017 and March 31, 2016 the interest reimbursement received by the Company is Rs. 4.79 lakhs Rs. 12.32 lakhs and Rs. 16.77 lakhs respectively. Our profitability may be affected in the future if any of the above mentioned benefits are reduced or withdrawn or if we are subject to any disagreements from nodal agencies appointed under TUFs, with respect to our eligibility under TUFs. There is no assurance that the TUFs will be extended beyond the current period of availability or whether we will continue to enjoy such benefits in the future. In the event we are unable to continue to benefit from TUFs, our results of operations may be affected. For further information relating to the TUFs, see "Key Regulations and Policies" on page 97. As per our Accounting policy, the interest subsidy and benefits under TUFs are accounted for as and when received from the government and not on accrual basis.

**30. Our Company under Export Promotion Capital Goods (EPCG) scheme has imported machinery for manufacturing at a concessional duty of 3% and is subject to an export obligation saved on the machines imported under EPCG scheme.**

Our Company has availed the benefit of concessional duty of 3% for import of machinery for manufacturing under EPCG Scheme of Gol. As per the list compiled by our Company, there is an export obligation of US \$

410110.33 during next 3 years and US \$ 147794.76 during the next 5 years. In case our Company, fails to fulfill the said obligation, the exemption on duty availed may be reversed and evolve upon our Company as a liability to pay, thus affecting the financials in the year/s it devolves.

**31. 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.

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

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

**33. The Offer Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Offer.**

The Offer price based on numerous factors and may not be indicative of the market price for our Equity Shares after the Offer. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. There can be no assurance that you will be able to resell your Shares at or above the Offer Price. Among the factors that could affect our Share price are: quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net profit and income; changes in income or earnings estimates or publication of research reports by analysts; speculation in the press or investment community; general market conditions; and domestic and international economic, legal and regulatory factors unrelated to our performance.

**RISK IN RELATION TO THE EQUITY SHARES:**

**34. Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares**

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

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

Once listed, we would be subject to circuit breakers imposed by stock exchange(s) in India, which does not allow transactions beyond specified increase or decrease in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical



volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge.

This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**36. *After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.***

The price of the Equity Shares on the Stock Exchanges may fluctuate as a result of the factors, including:

- a. Volatility in the Indian and global capital market;
- b. Company's results of operations and financial performance;
- c. Significant developments in India's economic and fiscal policies;

There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

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

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**38. *You will not be able to sell immediately on Indian Stock Exchanges any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.***

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares.

#### **EXTERNAL RISK FACTORS**

**39. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

**40. *Any changes in the regulatory framework could adversely affect our operations and growth prospects***

Our Company is subject to various regulations and policies. For details see section titled "**Key Regulations and Policies**" beginning on page 97 of this Prospectus. Our business and prospects could be materially adversely

affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

**41. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**42. *Our 100% Revenue is derived from business in India and a decrease in economic growth in India could cause our business to suffer.***

We derive 100% of our revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

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

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Lead Manager have appointed Choice Equity Broking Private Limited as Market maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

**44. *The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.***

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, Govt (MCA), through a press note dated January 22, 2010. The MCA through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues including tax-related issues are resolved. The MCA is expected to announce the date of implementation of the converged accounting standards at a later date. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding period in the comparative fiscal year/period. In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements.

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies situated in other countries, including India. For instance, the recent financial crisis in the United States and European countries led to a global financial and economic crisis that adversely affected the market prices in the securities markets around the world, including Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

**46. *The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs***

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

**47. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

**48. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and trading industry contained in the Prospectus***

While facts and other statistics in the Prospectus relating to India, the Indian economy and the transformers, cables and wire industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "*Our Industry*" beginning on page 71 of the Prospectus. Due to

possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon.

**49. *Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares***

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced volatility in the recent times. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading and limited price movements. A closure of, or trading stoppage on the Emerge Platform of NSE could adversely affect the trading price of the Equity Shares

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

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection / tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all

**51. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition***

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition

**52. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing***

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

**53. *Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of

abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

***54. We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.***

Changes in interest rates could affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations and cash flows.

***55. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse impact on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include customs duties, GST, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates/slab will continue in the future. Any changes in these tax rates/slabs could adversely affect our financial condition and results of operations.

**PROMINENT NOTES:**

- i. The Public Issue of 12,30,400 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. 90/- per Equity Share aggregating Rs. 1107.36 lakhs (“the Issue”). Issue of Equity Shares will constitute 26.40% of the fully diluted Post-Issue paid up capital of our Company. For more information, please refer to chapter titled “The Issue” on page 39 of this Prospectus.
- ii. The net worth of our Company is Rs. 13,66,03,248, Rs. 10,13,05,488, Rs. 6,43,26,387 and Rs. 4,83,52,413 as on June 30, 2018, March 31, 2018, March 31, 2017 and March 31, 2016 respectively. The NAV of each Equity Share is Rs. 46.89, Rs. 36.33, Rs. 23.34 and Rs. 17.76 as on June 30, 2018, March 31, 2018, March 31, 2017 and March 31, 2016 respectively as per the audited financial statements of our Company. For more information, please refer to section titled “Financial Statements” beginning on page 131 of this Prospectus.
- iii. The average cost of acquisition of per Equity Shares by our Promoters, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Geeta ladha	22,07,547	2.44
Santosh Ladha	3,45,074	10.45

- iv. For details of Related Party Transactions entered into by our Company, please refer to the chapter titled “*Related Party Transactions*” beginning on page 129 of this Prospectus.
- v. The name of our Company was changed from Iris Clothings Private Limited to Iris Clothings Limited on July 24, 2018 upon conversion into Public Limited Company.
- vi. Except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoters and Promoter Group*” and “*Our Management*” beginning on pages 47, 123 and 111 respectively, of this Prospectus, none of our Promoters, Directors or Key Management Personnel have any interest in our Company.
- vii. Investors may contact the LM or the Compliance Officer for any clarification / complaint or information relating to the Issue, which shall be made available by the LM and our Company to the investors at large. No selective or additional information will be available for a section of investors in any manner whatsoever. For contact details of the LM and the Compliance Officer, please refer to the chapter titled “*General Information*” beginning on page 40 of this Prospectus.
- viii. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Independent Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Prospectus.

Except as stated in the chapter titled “*Our Group Entities*” beginning on page 123 and chapter titled “*Related Party Transactions*” beginning on page 129 of this Prospectus, our Group Entities have no business interest or other interest in our Company

## SUMMARY OF OUR INDUSTRY

### Introduction

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

### Market size

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

The tax collection figures between April 2017- February 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.

[Source: [www.ibef.org](http://www.ibef.org)]

### TEXTILE INDUSTRY OUTLOOK

#### GLOBAL ECONOMIC OVERVIEW

The textile and apparel industry has witnessed changes in the last few decades. Over the years, a major part of the industry has moved away from developed countries like the US, the EU and Japan to destinations like China, South Asia and South-East Asia. Two most vital variables which brought on this move were the availability of low-cost manpower and abundant of raw material in Asian countries. India, among the Asian countries, is one of the most competitive textile and apparel manufacturing centre today.

Today's textile and apparel sector is again at the cusp of some major structural changes. The demand pattern is governed by the economic growth of regions, which indicates a slowdown in developed countries while strong growth in China and India. The export growth rate of China has already slowed down, a trend that will lead China to lose some share of global market while still being the largest exporting nation. The opportunity arising because of China's export growth slowdown can help countries like India, Bangladesh, Vietnam, etc., to increase their trade share. FTAs of these suppliers with major markets of EU, the US and Japan will be of special importance. On the supply side, lack of growth in cotton output will help synthetics to gain share continually. These are some of the mega trends that will impact the industry structure over the next decade.

For the Indian industry, these are specifically interesting times. India stands a chance to gain a prominent market share because of China's growth slowdown, supporting the Government policies and a strong raw material base. The way that India's own local request is likewise vast and developing is good to beat all.

The current global apparel market is estimated at \$1.7 trillion which forms approximately 2 per cent of the world GDP of \$73.5 trillion. Apparel consumption in top 8 economies constitutes approximately 70 per cent of the global



consumption. All four BRIC nations appear among the top markets having a cumulative share of approximately 23 per cent. Combined apparel consumption of the US and the EU is 40 per cent while they are a home to just 11 per cent of the world population, implying a very high level of per capita expenditure on Apparel (PEAP) compared to the rest of the world.

Region	2012	2015	2025	CAGR
China**	150	237	615	10
EU-28**	350	350	390	1
United States**	225	315	385	2
India	45	59	180	12
Japan	110	93	150	2
Russia	40	40	105	8
Brazil	55	56	100	5
Canada	30	25	50	4
Australia	25	45	-	5
Others	-	510	-	-
Total	-	1685	-	-

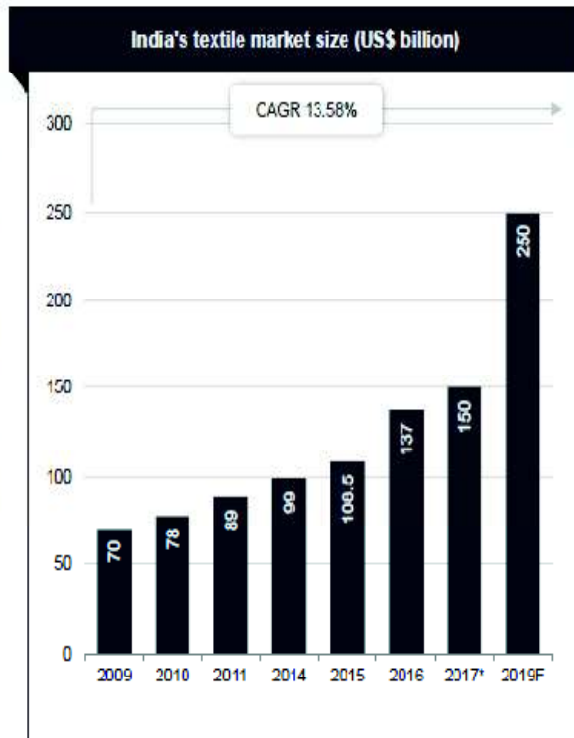
### Introduction to Indian Textile Industry

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale. The textile industry employs about 105 million people directly and indirectly. India's overall textile exports during FY 2017-18 stood at US\$ 37.74 billion.

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

## Role of Textile Industry in Indian Economy

- Textile plays a major role in the Indian economy
  - It contributes 14 per cent to industrial production and 4 per cent to GDP
  - With over 45 million people, the industry is one of the largest source of employment generation in the country
- The industry accounts for nearly 15 per cent of total exports. Exports of textiles from India reached US\$ 26.91 billion during April – December 2017.
- The size of India's textile market as of July 2017 was around US\$ 150 billion, which is expected to touch US\$ 250 billion market by 2019, growing at a CAGR of 13.58 per cent between 2009-2019.
- The central government is planning to finalise and launch the new textile policy in the next three months<sup>1</sup>. The policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs.



## Road Ahead

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

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The domestic market for apparel and lifestyle products, currently estimated at US\$ 85 billion, is expected to reach US\$ 160 billion by 2025.

The Indian cotton textile industry is expected to showcase a stable growth in FY2017-18, supported by stable input prices, healthy capacity utilisation and steady domestic demand\*.

## Opportunities:

### Immense growth potential

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

### Private sector participation in silk production

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

### Proposed FDI in multi-brand retail

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

### Union Budget 2018-19

- Under Union Budget 2018-19, Government of India allocated around Rs 7,148 crore (US\$ 1.1 billion) for the textile industry.
- Rs 2,300 crore (US\$ 355.27 million) have been allocated for the Technology Up-gradation Fund Scheme (TUFS).
- The allocation for Remission of State Levies (ROSL) is Rs 2,163.85 crore (US\$ 334.24 million), which is expected to be beneficial for exporters of made-ups and apparels, as backlog will be cleared and working capital will be released.
- The government has also proposed to contribute 12 per cent of the new employees' wages towards Employee Provident Fund (EPF) over the next three years, which is expected to boost hiring in the apparel segment and has also extended fixed-term employment to all sectors.
- The government has allocated Rs 112.15 crore (US\$ 17.32 million) towards schemes for powerloom units.
- The government has allocated Rs 30 crore (US\$ 4.63 million) for the Scheme for Integrated Textile Parks, under which there are 47 ongoing projects.
- The handloom clusters under the National Handloom Development Programme will get Rs 396 crore (US\$ 91.17 million) and the Integrated Processing Development Scheme will get Rs 3.8 crore (US\$ 0.59 million).

### Retail sector offers growth potential

- 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\$ 2.68 billion from April 2000 to September 2017
- In April 2017, StalkBuyLove, an online fashion brand, has raised US\$ 1 million venture debt from Trilecta Capital, to expand its team and strengthen the supply chain technology.
- India can become the one-stop sourcing destination for companies from Association of Southeast Asian Nations (ASEAN), as there exist several opportunities for textile manufacturing companies from 10-nation bloc to invest in India.

Exchange Rate Used: INR 1 = US\$ 0.016 as of FY2018.

**References:** Ministry of Textiles, Indian Textile Journal, Department of Industrial Policy and Promotion, Press Information Bureau, Union Budget 2017-18

**Note:** CAGR - Compound Annual Growth Rate, E – Estimated, \* as of July 2017, 1 As of June 2017

**Source:** Technopak, Make in India, News articles, Ministry of Textiles, Aranca Research

**Note:** # - according to Damco, \* - according to India Ratings and Research

**Disclaimer:** This information has been collected through secondary research.

<https://www.ibef.org/industry/textiles.aspx>

## SUMMARY OF OUR BUSINESS

### Business Overview

Our Company is engaged in the Manufacturing, Designing, Branding and Selling of Kids Wear under the brand name DoReMe® in India. DoReMe® caters to the Kids Wear category mostly juniors including various kinds of apparels and related products for all Infants, Boys and Girls. We have been able to establish our brand Do Re Me® as a mid-market, comfortable and high quality junior Kids Wear brand. Our Company makes different kinds of products like Tops, T-shirts, Pants, Shorts, Frock, Dresses, and Towels among others catering to Kids Wear category. Our Company continuously strives to add new product lines and innovate with Designs to be able to appeal to the changing consumer demands. Our Company believes its key strength lies in the Product Designing and Manufacturing Excellence in both cost and quality.

Our Promoters started the business as a proprietary firm named Iris Clothings in the year 2004 doing contract manufacturing for other brands. It did not take long for the promoters to gauge the business potential for an own brand and thereby launched DoReMe® within one year of start of business. DoReMe® started its sales in 2005 through distributor-retailer network based out of Mumbai. Given the strong product quality, DoReMe® gained popularity from word-of-mouth publicity and our Company added more distributors and retailers through them in the market of Mumbai. From there-on our Company has grown in its distribution as well as manufacturing capabilities over the years. On April 01, 2012, Iris Clothings was acquired by Our Company, through Sale Agreement wherein our Company acquired assets and liabilities of Iris Clothings and all the manufacturing operations and trading activities was consolidated in our Company.

As on date our Company has an active distribution network of 60+ distributors across cities / states with reach to more than 4,000+ retailers. Our Company has always believed in offering high quality products at affordable value and the same has helped the brand to develop a strong pull from the end customers and trade partners. The Company generates its revenue from supply of its finished products to the distributors. The Company does not have its own sales outlet.

Our Company's total revenues, as restated for the three months period ended June 30, 2018 and for the year ended March 31, 2018; March 31, 2017 and March 31, 2016 were Rs. 14,84,70,115, Rs. 53,10,12,882; Rs. 46,89,14,597 and Rs. 36,99,20,555 respectively. Our Company's restated net profit after tax for three months period ended June 30, 2018 and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016 were Rs. 1,17,08,159, Rs. 3,37,90,401; Rs.1,59,73,973 and Rs. 64,61,523 respectively.

### Our Location

A detail of our locations is as follows:

<b>Registered Office</b>	103/24/1, Foreshore Road Shibpur, Howrah, West Bengal – 711 102
<b>Factory locations:</b>	i) Belvedere Mill Complex, South Sankrail, Howrah, West Bengal (Designing, Cutting and Printing unit). ii) M J Industrial Park, Satghoria, Panchla, Howrah West Bengal (Stitching, Mending and Finishing Unit). iii) 44, Foreshore Road, Howrah, West Bengal (Processing, Finishing and Dispatch Unit). iv) 103/24/1, Foreshore Road, Howrah, West Bengal (Processing, Storage and Dispatch Unit).

## **COMPETITIVE STRENGTH.**

We believe the following are our competitive strength:

### ***Widespread Distribution Network***

We generally sell our products through a network of distributors and dealers/traders located at different locations of the country. At present we have distribution network of around 60+ distributors spread across various states. Our widespread distribution network provides us wide geographical presence in terms of coverage of different states of the country. We believe that our distribution network leverages our marketing and reduces our concentration customer wise and state wise.

### ***Customer Satisfaction***

We continuously strive to serve our customers according to their needs and requirements with a customized approach. Besides customized approach, our company continuously takes steps to ensure timely delivery alongwith consistency in the quality of the manufactured products. Such consistency in quality has yielded results in the form of repeat orders from our customers. The repeat orders reflect the confidence reposed in us by our customers.

### ***Quality Assurance***

We believe in quality manufacturing and aim to deliver qualitative products to the satisfaction of customers. As a result of this we adopt quality check to ensure the adherence to desired specifications, quality and colors. Since, our Company is dedicated towards quality products, processes and inputs; we get regular orders from our customers, as we are capable of meeting their quality standards.

### ***Existing relationship with suppliers***

We have to acquire fabric and accessories from two of our suppliers and have worked with them for a long time. We believe that our strong relationships with suppliers will enable us to continue to grow our business. Due to our relationships with our suppliers, we get quality and timely supplies of fabric and accessories. This enables us to manage our inventories and supply quality products on timely basis to our customers. This in turn has enabled us to generate repeat business.

### ***Experienced Management***

Our Promoters Mr. Santosh Ladha and Mrs. Geeta Ladha have industry experience of almost more than 15 years. Our promoters are supported by a dedicated management team with several years of experience in their respective domains of sales, marketing, strategy and finance. We believe our senior management team leverages our market position and their collective experience and knowledge in the industry, to execute our business strategies and drive our future growth. In addition, we believe the strength and entrepreneurial vision of our promoters and senior management has been instrumental in driving our growth and implementing our strategies.

## **BUSINESS STRATEGY**

### ***Expanding our Clientele Network by Geographic expansion:***

We believe that our growth in other states in the country can fetch us new business expansion and opportunities. Going forward we intend to establish our presence in few locations in the country. Our emphasis is on scaling of our operations in other markets shall provide us with attractive opportunities to grow our client base and revenues.

***Reduction of operational costs and achieving efficiency:***

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

***Focus on cordial relationship:***

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

***To Increase brand visibility***

The market for our products is highly competitive on account of both the organized and unorganized players. Our Market goodwill is significantly dependent on brand recall and our ability to compete effectively would significantly depend on our ability to promote and develop our brand. We propose to increase the number of channel partners/dealers in order to broaden our reach. We believe greater visibility of our brand would ensure brand retention in the minds of the customers and would in effect further enhance our reach widely.

***Enhancing our trading and manufacturing capacities***

We are focused on establishing and increasing our trading facilities as this allows us to exercise due control over both the costs of the products and we can more concentrate on the quality of the apparel to manufacture and venture into the denim segment through our subsidiary. Under the current expansion plan, we propose to increase our capacities. We believe that an increase in our capacity will also help us to enhance economies of scale, and this would eventually translate to an improvement in the price competitiveness of our apparels.

**SUMMARY OF FINANCIAL STATEMENTS**

**RESTATED BALANCE SHEET**

**(Amt in Rs.)**

Particulars		As at					
		30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>A</b>	<b>EQUITY AND LIABILITIES</b>						
<b>1</b>	<b>Shareholders' funds</b>						
	(a) Share capital	3,43,07,790	2,81,00,000	2,69,19,000	2,69,19,000	2,69,19,000	2,69,19,000
	(b) Reserves and surplus	10,22,95,458	7,32,05,488	3,74,07,387	2,14,33,413	1,49,71,891	1,25,48,645
			10,13,05,488	6,43,26,387	4,83,52,413	4,18,90,891	3,94,67,645
<b>2</b>	<b>Share application money pending allotment</b>	-	-	-	-	-	-
<b>3</b>	<b>Non-current liabilities</b>						
	(a) Long-term borrowings	5,94,48,729	6,27,42,376	4,92,84,755	3,04,52,801	2,29,62,263	2,44,93,294
	(b) Deferred Tax liability (Net)	-	-	-	-	-	9,33,885
	(c) Long-term provisions	20,77,345	17,77,345	7,15,579	-	-	-
		6,15,26,074	6,45,19,721	5,00,00,334	3,04,52,801	2,29,62,263	2,54,27,179
<b>4</b>	<b>Current liabilities</b>						
	(a) Short-term borrowings	11,31,02,681	14,71,01,775	11,65,71,640	10,61,43,683	14,73,17,489	13,56,11,259
	(b) Trade payables	7,27,95,971	6,41,98,750	6,73,55,342	6,57,80,120	6,89,69,271	6,22,57,547
	(c) Other current liabilities	2,01,68,335	2,06,46,214	1,99,48,832	1,53,72,520	1,57,06,990	2,66,25,260
	(d) Short-term provisions	86,813	86,813	38,165	-	-	-
		20,61,53,800	23,20,33,552	20,39,13,979	18,72,96,323	23,19,93,750	22,44,94,066
	<b>TOTAL (1+2+3+4)</b>	<b>40,42,83,122</b>	<b>39,78,58,761</b>	<b>31,82,40,699</b>	<b>26,61,01,538</b>	<b>29,68,46,903</b>	<b>28,93,88,890</b>
<b>B</b>	<b>ASSETS</b>						
<b>1</b>	<b>Non-current assets</b>						
	(a) Fixed assets						
	(i) Tangible assets	14,57,12,074	14,85,39,588	10,71,17,036	4,95,91,709	5,21,67,866	6,26,09,952
	(ii) Intangible assets	2,12,993	2,46,948	-	-	-	-
	(iii) Capital work-in-progress	-	1,40,000	83,37,348	-	-	-
	(b) Deferred Tax Assets	10,00,828	6,39,526	14,94,304	5,38,870	1,32,618	-
	(c) Long-term loans and advances	1,02,56,428	47,48,086	46,79,810	3,64,41,028	3,65,91,028	3,50,52,339
	(d) Other non-current assets	-	-	-	53,874	1,07,748	1,61,622
		15,71,82,323	15,43,14,148	12,16,28,498	8,66,25,481	8,89,99,260	9,78,23,913
<b>2</b>	<b>Current assets</b>						
	(a) Inventories	12,37,46,166	11,03,31,731	8,55,38,518	9,43,12,828	12,79,85,870	12,25,67,995
	(b) Trade receivables	9,41,55,967	10,54,11,657	8,67,16,559	7,19,05,545	5,96,21,666	5,35,12,425
	(c) Cash and cash equivalents	54,92,019	13,19,414	15,19,098	11,20,363	9,21,037	15,00,050
	(d) Balances with Bank other than (c)	1,73,29,615	1,72,94,484	1,25,59,897	1,10,75,941	1,79,87,510	1,22,01,239
	(e) Short-term loans and advances	63,77,032	91,87,326	1,02,78,130	10,61,380	13,31,560	17,83,268
		24,71,00,799	24,35,44,613	19,66,12,201	17,94,76,057	20,78,47,643	19,15,64,977
	<b>TOTAL (1+2)</b>	<b>40,42,83,122</b>	<b>39,78,58,761</b>	<b>31,82,40,699</b>	<b>26,61,01,538</b>	<b>29,68,46,903</b>	<b>28,93,88,890</b>



**RESTATED STATEMENT OF PROFIT & LOSS ACCOUNT**

(Amount In Rs.)

Particulars	For the 3 months period ended	For the Year ended					
		30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>A REVENUE</b>							
1 Revenue from operations (gross)	14,84,12,436	52,86,68,268	46,67,85,895	36,41,38,463	29,77,79,248	24,67,66,261	
2 Other income	57,679	23,44,613	21,28,702	57,82,092	31,70,297	30,85,632	
<b>3 Total revenue (1+2)</b>	<b>14,84,70,115</b>	<b>53,10,12,882</b>	<b>46,89,14,597</b>	<b>36,99,20,555</b>	<b>30,09,49,545</b>	<b>24,98,51,893</b>	
<b>B EXPENSES</b>							
Cost of material consumed	8,76,41,151	29,23,19,882	29,92,12,380	19,77,09,441	21,43,16,933	14,54,96,288	
Purchase of stock-in-trade	53,84,401	41,35,675	-	-	-	46,000	
Changes in inventories of finished goods and work in progress	(1,49,41,988)	(3,06,17,177)	(1,72,56,115)	4,13,20,613	(3,61,71,855)	(73,46,425)	
Employee benefit expenses	2,15,21,426	7,82,84,626	4,42,14,932	2,56,54,027	2,31,81,651	1,28,07,280	
Finance Costs	50,81,347	2,47,56,714	1,85,18,725	2,21,07,317	2,31,44,589	1,57,71,192	
Depreciation and amortisation expense	64,15,818	1,87,67,966	1,16,55,694	96,49,818	1,25,84,520	1,05,41,284	
Other expenses	2,09,21,104	9,57,05,000	8,83,88,837	6,37,83,712	6,03,39,565	6,26,83,721	
<b>4 Total expenses</b>	<b>13,20,23,258</b>	<b>48,33,52,685</b>	<b>44,47,34,453</b>	<b>36,02,24,928</b>	<b>29,73,95,402</b>	<b>23,99,99,340</b>	
<b>5 Profit / (Loss) before tax (3-4)</b>	<b>1,64,46,857</b>	<b>4,76,60,197</b>	<b>2,41,80,144</b>	<b>96,95,627</b>	<b>35,54,143</b>	<b>98,52,553</b>	
<b>6 Tax expense:</b>							
Current Tax	51,00,000	1,30,15,018	91,61,605	36,40,356	21,97,401	30,27,993	
Deferred Tax (Asset)/Liability	(3,61,302)	8,54,778	(9,55,434)	(4,06,252)	(10,66,503)	16,446	
<b>Total Tax Expenses</b>	<b>47,38,698</b>	<b>1,38,69,796</b>	<b>82,06,171</b>	<b>32,34,104</b>	<b>11,30,898</b>	<b>30,44,439</b>	
<b>7 Profit / (Loss) after tax (5-6)</b>	<b>1,17,08,159</b>	<b>3,37,90,401</b>	<b>1,59,73,973</b>	<b>64,61,523</b>	<b>24,23,245</b>	<b>68,08,114</b>	

**RESTATED CASH FLOW STATEMENT**

(Amount In Rs.)

PARTICULARS	For the 3 months period ended	For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended
	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>A. Cash flow from operating activities :</b>						
Profit/ (Loss) before tax	1,64,46,857	4,76,60,197	2,41,80,144	96,95,627	35,54,143	98,52,553
<b>Adjustments for:</b>						
Depreciation & Amortisation	64,15,818-	1,87,67,966	1,16,01,820	95,95,944	1,25,30,646	1,04,87,410
Preliminary Expenses Written off	-		53,874	53,874	53,874	53,874
Finance Costs	50,81,347	2,47,56,714	1,85,18,725	2,21,07,317	2,31,44,589	1,57,71,192
Loss on Sale of Motor Car	-	9,51,136	-	1,05,922	-	-
Interest received	(39,035)	(16,17,775)	(20,48,214)	(30,79,740)	(11,51,587)	(19,23,559)
<b>Operating Profit before working capital changes</b>	<b>2,79,04,987</b>	<b>9,05,18,238</b>	<b>5,23,06,349</b>	<b>3,84,78,944</b>	<b>3,81,31,665</b>	<b>3,42,41,470</b>
<b>Adjustments for:-</b>						
(Increase)/ Decrease in Inventories	(1,34,14,435)	(2,47,93,214)	87,74,310	3,36,73,042	(54,17,875)	(5,74,59,274)
(Increase)/Decrease in Trade Receivables	1,12,55,690	(1,86,95,098)	(1,48,11,014)	(1,22,83,879)	(61,09,241)	(1,94,49,868)
(Increase)/Decrease in Loans and Other Advances	(36,70,760)	(28,504)	2,50,67,031	3,44,096	(9,63,143)	(2,86,54,485)
Increase/(Decrease) in Trade Payables, Other Current Liabilities and Provisions	84,34,243	(18,17,292)	69,05,278	(35,23,621)	(42,06,546)	4,26,85,023
<b>Cash generated from operations</b>	<b>3,05,09,725</b>	<b>4,51,84,131</b>	<b>7,82,41,954</b>	<b>5,66,88,583</b>	<b>2,14,34,860</b>	<b>(2,86,37,134)</b>
Net Income Tax (paid) / refunds	(41,27,290)	(1,19,43,630)	(1,16,84,168)	(35,64,272)	(23,21,239)	(31,77,977)
<b>Net cash from operating activities (A)</b>	<b>2,63,82,435</b>	<b>3,32,40,501</b>	<b>6,65,57,786</b>	<b>5,31,24,311</b>	<b>1,91,13,621</b>	<b>(3,18,15,111)</b>
<b>B. Cash flow from investing activities:</b>						
Sell / (Purchase) of PPE	(34,14,349)	(5,31,91,254)	(7,74,64,495)	(71,25,709)	(20,88,560)	(55,90,141)
Redemption / (Investment) in Fixed Deposit	(35,131)	(47,34,587)	(14,83,956)	69,11,569	(57,86,271)	1,51,04,527
Interest Income	39,035	16,17,775	20,48,214	30,79,740	11,51,587	19,23,559
<b>Net Cash (used in) / from investing activities (B)</b>	<b>(34,10,445)</b>	<b>(5,63,08,067)</b>	<b>(7,69,00,237)</b>	<b>28,65,600</b>	<b>(67,23,244)</b>	<b>1,14,37,945</b>
<b>C. Cash flow from financing activities :</b>						
Net Increase / (Decrease) in Short Term & Long Term Borrowing	(3,72,92,741)	4,39,87,756	2,92,59,911	(3,36,83,268)	1,01,75,199	3,70,48,882
Proceeds from Issue of Equity Shares	2,35,89,602	31,88,700	-	-	-	-
Finance Costs paid	(50,96,246)	(2,43,08,574)	(1,85,18,725)	(2,21,07,317)	(2,31,44,589)	(1,57,71,192)
<b>Net Cash used in financing activities (C)</b>	<b>(1,87,99,385)</b>	<b>2,28,67,882</b>	<b>1,07,41,186</b>	<b>(5,57,90,585)</b>	<b>(1,29,69,390)</b>	<b>2,12,77,690</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>41,72,605</b>	<b>(1,99,683)</b>	<b>3,98,735</b>	<b>1,99,326</b>	<b>(5,79,013)</b>	<b>9,00,524</b>

<b>(A+B+C)</b>						
Cash and cash equivalents (Opening Balance)	13,19,414	15,19,098	11,20,363	9,21,037	15,00,050	5,99,527
<b>Cash and cash equivalents (Closing Balance)</b>	<b>54,92,019</b>	<b>13,19,414</b>	<b>15,19,098</b>	<b>11,20,363</b>	<b>9,21,037</b>	<b>15,00,050</b>
<b>Components of Cash &amp; Cash Equivalent</b>						
a) Cash in Hand	1,93,236	1,27,959	1,73,781	2,66,585	5,06,817	11,27,555
b) Balance with Banks						
In Current Account	52,98,783	11,91,455	13,45,317	8,53,778	4,14,220	3,72,495
<b>Cash and cash equivalents (Closing Balance)</b>	<b>54,92,019</b>	<b>13,19,414</b>	<b>15,19,098</b>	<b>11,20,363</b>	<b>9,21,037</b>	<b>15,00,050</b>
<b>The Cash Flow has been prepared under Indirect method as per Accounting Standard -3 "Cash Flow Statements".</b>						

## THE ISSUE

The following table summarizes the Issue details:

<b>Issue of Equity Shares</b>	12,30,400 Equity Shares of Rs. 10/- each fully paid-up of our Company for cash at a price of Rs. 90/- per Equity Share aggregating upto Rs. 1,107.36/- Lakhs.
<b>Out of which:</b>	
<b>Market Maker Reservation Portion</b>	62,400 Equity Shares of Rs. 10/- each fully paid-up of our Company for cash at a price of Rs. 90/- per Equity Share aggregating to Rs. 56.16/- lakhs.
<b>Net Issue to the Public</b>	11,68,000 Equity Shares of Rs. 10/- each fully paid-up of our Company for cash at a price of Rs. 90/- per Equity Share aggregating to Rs. 1051.20/- lakhs.
<b>Out of which:</b>	
<b>Allocation to Retail Individual Investors for upto Rs. 2.00 lakh</b>	5,84,000 Equity Shares of Rs. 10/- each fully paid-up of our Company for cash at a price of Rs. 90/-per Equity Share aggregating to Rs. 525.60 lakhs.
<b>Allocation to other investors for above Rs. 2.00 lakh</b>	5,84,000 Equity Shares of Rs. 10/- each fully paid-up of our Company for cash at a price of Rs. 90/- per Equity Share aggregating to Rs. 525.60 lakhs.
<b>Pre-Issue and Post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	34,30,779 Equity Shares of Rs. 10/- each
Equity Shares outstanding after the Issue	46,61,179 Equity Shares of Rs. 10/- each
<b>Objects of the Issue</b>	Please refer to the section titled " <b>Objects of the Issue</b> " beginning on page 60 of this Prospectus.

*The Market Maker Reservation Portion shall not be less than 5 % of the Issued shares in terms of Regulation 106(V) (4) of SEBI (ICDR) Regulations.*

*\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, the present issue is a fixed price issue 'the allocation' is the net offer 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.*

*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.*

*For further details, please refer to section titled "Issue Structure" beginning on page 216 of this Prospectus.*

*The present Issue of 12,30,400 Equity Shares in terms of this Prospectus has been authorized pursuant to a resolution of our Board of Directors dated 27.07.2018 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting of the members of our Company held on 30.07.2018.*

## GENERAL INFORMATION

Our Company was incorporated on 27<sup>th</sup> August, 2011 as Iris Clothings Private Limited under the provisions of Companies Act, 1956 with registration no. 166895 having our registered office situated at 103/24/1, Foreshore Road Shibpur, Howrah- 711102. The Corporate Identification Number of our Company on incorporation was U18109WB2011PTC166895. Further, pursuant to a special resolution passed by the shareholders of the Company at the Extra Ordinary General Meeting held on 09.07.2018, our Company was converted from a Private Limited to Public Limited Company vide fresh certificate of Incorporation dated 24.07.2018 obtained from Registrar of Companies, West Bengal bearing Corporate Identification Number as U18109WB2011PLC166895

Our Company and Issue related Information	
<b>Registered Office</b>	<b>Iris Clothings Limited</b> 103/24/1, Foreshore Road, Binani Metal Compound, Shibpur Howrah- 711102 Tel: 033 26373856 Email: itsladha@irisclothings.in; Website: <a href="http://www.doreme.in">www.doreme.in</a>
<b>Date of Incorporation</b>	August 27, 2011
<b>Registration Number</b>	166895
<b>Corporate Identification Number</b>	U18109WB2011PLC166895
<b>Company Category</b>	Company Limited by Shares
<b>Company Sub Category</b>	Indian Non Government Company
<b>Address of the Registrar of Companies</b>	<b>Registrar of Companies, West Bengal</b> Nizam Palace 2nd MSO Building 2nd Floor, 234/4, A.J.C.B. Road Kolkata - 700020 Phone: 033-2287 7390 Fax 033-22903795
<b>Designated Stock Exchange</b>	Emerge Platform of National Stock Exchange of India Limited <b>(NSE Emerge)</b>
<b>Issue Programme</b>	<b>Issue Opens on: Wednesday, October 10, 2018</b> <b>Issue Closes on: Friday, October 12, 2018</b>
<b>Company Secretary and Compliance Officer</b>	Mrs. Sweta Agarwal <b>Iris Clothings Limited</b> 103/24/1, Foreshore Road, Binani Metal Compound, Shibpur Howrah, West Bengal- 711102 Tel: (033) 26373856/ 8100074062 <b>E-mail: itsladha@irisclothings.in</b>
<b>Chief Financial Officer</b>	Mr. Niraj Agarwal <b>Iris Clothings Limited</b> 103/24/1, Foreshore Road, Binani Metal Compound, Shibpur Howrah, West Bengal- 711102 Tel: (033) 26373856/8100074062 E-mail: accounts@irisclothings.in

## Board of Directors

Our Company's Board comprises of the following Directors:

Name, Nature of Directorship and DIN	Age	Residential Address
Mr. Santosh Ladha Managing Director DIN: 03585561	40 years	37B, Alipore Road, Flat- 8A, Kolkata- 700027
Mrs. Geeta Ladha Whole Time Executive Director DIN: 03585488	39 years	37B, Alipore Road, Flat- 8A, Kolkata- 700027
Mr. Baldev Das Ladha Non Executive Director DIN: 03585566	75 years	37B, Alipore Road, Flat- 8A, Kolkata- 700027
Mr. Rajesh Kumar Rathi Non Executive and Independent Director DIN: 00669100	43 years	BL, 414 Sec-2, Salt Lake City, Tank No. 8, Kolkata- 700 091
Ms. Sujata Saha Non Executive and Independent Director DIN: 00856579	66 years	248, S.N Roy Road, Kolkata- 700 038

For further details of the Board of Directors, please refer to the section titled "**Our Management**" beginning on page 111 of the Prospectus.

**Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue and/ or the Lead Manager, in case of any pre-offer or post-offer related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.**

All grievances may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the Application Form was submitted, quoting the full details such as the name and address of the sole or First Applicant, date and number of the Application Form, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, name and address of the relevant Designated Intermediary where the Application Form was submitted by the Applicant.

All grievances relating to Application submitted through the Registered Broker may be addressed to the Stock Exchange with a copy to the Registrar to the Offer.

Further, the Applicants shall also enclose a copy of the Acknowledgement Slip duly received from the Designated Intermediaries in addition to the documents/ information mentioned hereinabove.

**Details of Key Intermediaries pertaining to this Issue and Our Company:**

<p><b>Lead Manager to the Issue</b>  <b>VC Corporate Advisors Private Limited</b>  SEBI REGN NO: INM000011096  Validity of Registration: Permanent  Contact Person: Mr. Anup Kumar Sharma  <b>Address:</b> 31 Ganesh Chandra Avenue, 2<sup>nd</sup> Floor,  Suite No –2C, Kolkata-700 013.  <b>Tel No :</b> (033) 2225-3940  <b>Fax :</b> (033) 2225-3941  <b>Email:</b> <a href="mailto:mail@vccorporate.com">mail@vccorporate.com</a>  <b>Website:</b> <a href="http://www.vccorporate.com">www.vccorporate.com</a></p>	<p><b>Legal Advisor to the Issue</b>  <b>J Mukherjee &amp; Associates</b>  Contact Person: Jayabrata Mukherjee  <b>Kolkata Off:</b> 20/33, NSC Bose Road, Grahams Land,  Kolkata-700040  <b>Mobile:</b> 9830640366  <b>Email Id:</b> <a href="mailto:jmalegal@outlook.com">jmalegal@outlook.com</a></p>
<p><b>Registrar to the Issue</b>  <b>Cameo Corporate Services Limited</b>  SEBI Registration No: INR000003753  Validity of Registration: Permanent  Contact Person: Mr. R.D.Ramasamy, Director  Address: No.1, Club House Road,  Chennai – 600 002  Tel. No – 044 28460390(5lines),  Fax No:+ 044 - 28460129  E-mail :<a href="mailto:cameo@cameoindia.com">cameo@cameoindia.com</a>  Website: <a href="http://www.cameoindia.com">www.cameoindia.com</a></p>	<p><b>Statutory Auditors and Peer Review Auditors to the Company</b>  M/s. AMK &amp; Associates, Chartered Accountants  (FRN.: 327817E)  <b>Contact Person:</b> Bhupendra Kumar Bhutia (FCA)  <b>Address:</b> Stesalit Tower, 303, 3rd Floor, E 2-3, Block EP &amp; GP,  Sector - V , Salt lake, Kolkata - 700 091  <b>Telefax:</b> 033 -40630462  <b>Email:</b> <a href="mailto:caamkassociates@gmail.com">caamkassociates@gmail.com</a>  <b>Firm Registration No:</b> 327817E  <b>Membership No:</b> 059363</p>
<p><b>Banker to the Company</b>  <b>Axis Bank Limited</b>  <b>Contact Person:</b> Biswarup Mookherjee (Deputy Vice  President &amp; Service Relationship Manager)  <b>Address:</b> 1, Shakespeare Sarani, 3<sup>rd</sup> Floor, Kolkata-  700071  <b>Mobile No.:</b> 9836341963  <b>Email id:</b> <a href="mailto:biswarup.mookherjeeaxisbank.com">biswarup.mookherjeeaxisbank.com</a></p>	<p><b>Banker to the Company</b>  <b>Corporation Bank</b>  <b>Contact Person:</b> Rakesh Kumar (Chief Manager)  <b>Address:</b> Mookherjee House, 1<sup>st</sup> Floor, 17 Brabourne Road,  Kolkata- 700001  <b>Tel No.:</b> 033 22317063; <b>Mobile No:</b> 8584884255  <b>Fax:</b> 033 22425583  <b>Email Id:</b> <a href="mailto:cb052@corpbank.co.in">cb052@corpbank.co.in</a></p>
<p><b>Banker to the Company</b>  <b>State Bank of India</b>  <b>Contact person:</b> P Chowdhury (Branch Manager)  <b>Address:</b> Ganges Garden Complex Branch, 106, Kiran  Chandra Singha Road, Howrah- 711102  <b>Tel No.:</b> 033 26370553/0604  <b>Fax:</b> 033 26370604  <b>Email Id:</b> <a href="mailto:sbi.04284@sbi.co.in">sbi.04284@sbi.co.in</a></p>	<p><b>Bankers to the Issue/Public Issue Bank/Refund Banker</b>  <b>HDFC Bank Ltd,</b>  Contact Person - Siddharth Jadhav / Prasanna Uchil / Neerav  Desai/Vincent Dsouza  Address: Lodha - I Think Techno Campus,O-3 Level,  Next to Kanjurmarg Railway Station,  Kanjurmarg (East), Mumbai - 400042,  Phone No : 022-30752928/30752914  Email ID - <a href="mailto:siddharth.jadhav@hdfcbank.com">siddharth.jadhav@hdfcbank.com</a>;  <a href="mailto:prasanna.uchil@hdfcbank.com">prasanna.uchil@hdfcbank.com</a>;  <a href="mailto:neerav.desai@hdfcbank.com">neerav.desai@hdfcbank.com</a>; <a href="mailto:vincent.dsouza@hdfcbank.com">vincent.dsouza@hdfcbank.com</a></p>

M/s. AMK & Associates, Chartered Accountants, is a peer review auditor of our Company in compliance with section IX of part A of Schedule VIII of SEBI (ICDR) and hold a valid peer review certificate No. 009747 dated 17.03.2017 issued by the "Peer Review Board" of the ICAI

### **Statement of *inter se* allocation of Responsibilities for the Issue**

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

### **Self Certified Syndicate Banks (SCSBs)**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on <http://www.sebi.gov.in/sebiweb/home/detail/32931/yes/List-of-Self-Certified-Syndicate-Banks-SCSBsfor-Syndicate-ASBA>. For details on Designated Branches of SCSBs collecting the ASBA Bid Form, please refer to the above-mentioned SEBI link.

### **Broker Centres/ Designated CDP Locations/ Designated RTA Locations**

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 the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at [www.nseindia.com/emerge/](http://www.nseindia.com/emerge/). The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **Credit Rating**

As the Issue is of Equity Shares, credit rating is not required.

### **Trustees**

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

### **Debenture Trustees**

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

### **IPO Grading**

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

### **Monitoring Agency**

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50,000.00 Lakhs. Since the Issue size is only of Rs. 1,107.36/- Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### **Appraising Entity**

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any agency.

### **Expert Opinion**

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



Our Company has received written consent dated 13.08.2018 from the Statutory Auditors namely, AMK & Associates, Chartered Accountants (FRN.: 327817E), to include their 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 Statutory Auditors on the Restated Financial Statements, dated 24.09.2018 and the statement of tax benefits dated 13.08.2018 included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term “Expert” shall not be construed to mean an “expert” as defined under the Securities Act.

### Underwriting

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated 12<sup>th</sup> September, 2018 pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue.

Name, Address, Telephone, Facsimile, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten
<b>VC Corporate Advisors Private Limited</b> SEBI REGN NO: INM000011096 Validity of Registration: Permanent Contact Person: Mr. Anup Kumar Sharma <b>Address:</b> 31 Ganesh Chandra Avenue, 2 <sup>nd</sup> Floor, Suite No –2C, Kolkata-700 013. <b>Phone No :</b> (033) 2225-3940 <b>Fax :</b> (033) 2225-3941 <b>Email:</b> <a href="mailto:mail@vccorporate.com">mail@vccorporate.com</a> <b>Website:</b> <a href="http://www.vccorporate.com">www.vccorporate.com</a>	12,30,400	1,107.36

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

### Details of Market Making Arrangement for the Offer

Our Company has entered into Market Making Agreement dated 14<sup>th</sup> September, 2018 with the following Market Maker to fulfill the obligations of Market Making for this Issue:

<b>Name</b>	Choice Equity Broking Private Limited
<b>Address</b>	Choice House, Shree Shakambhari Corporate Park, 156-158, J B Nagar, Andheri (East), Mumbai – 400 099.
<b>Telephone</b>	+91 22 67079853
<b>Fax</b>	+91 22 67079898
<b>E-mail</b>	sme@choiceindia.com
<b>Contact Person</b>	Mr. Premkumar Harikrishan
<b>SEBI Registration No.</b>	INZ000160131

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations and the circulars offered by the NSE and SEBI regarding this matter from time to time.

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

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall

inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

- 2) The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of Rs. 90/- the minimum lot size is 1600 Equity Shares thus minimum depth of the quote shall be 1,44,000 until the same, would be revised by NSE.
- 3) After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the 62,400 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 62,400 Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
- 4) There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- 5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 6) There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Choice Equity Broking Private Limited is acting as the sole Market Maker.
- 7) The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of NSE and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
- 8) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 9) The Market Maker(s) shall have the right to terminate said arrangement by giving one-month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).
- 10) In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement will be available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
- 11) Emerge platform of NSE SME Exchange will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

- 12) Emerge platform of NSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
- 13) The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
- 14) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

<b>Issue Size</b>	<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 Crore	25%	24%
Rs 20 to Rs.50 Crore	20%	19%
Rs 50 to Rs.80 Crore	15%	14%
Above Rs. 80 Crore	12%	11%

## CAPITAL STRUCTURE

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

*(in Rs. except share data)*

No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
<b>A.</b>	<b>Authorized Share Capital*</b>		
	1,60,00,000 Equity Shares of face value of Rs. 10/- each	16,00,00,000.00	-
<b>B.</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b>		
	34,30,779 Equity Shares of face value of Rs. 10/- each	3,43,07,790.00	-
<b>C.</b>	<b>Present Issue in terms of this Prospectus</b>		
	Issue of 12,30,400 Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. 90/- per Equity Share	1,23,04,000	11,07,36,000
	<b>Which comprises of:</b>		
	<b>Reservation for Market Maker portion</b>		
	62,400 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 80/- per Equity Share reserved as Market Maker Portion	6,24,000	56,16,000
	<b>Net Issue to the Public</b>		
	11,68,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 80/-per Equity Share	1,16,80,000	10,51,20,000
	<b>Of which:</b>		
	5,84,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 80/- per Equity Share will be available for allotment to Retail Individual Investors of up to Rs. 525.60 lakh	58,40,000	5,25,60,000
	5,84,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 80/- per Equity Share will be available for allotment to Other Investors of above Rs. 525.60 Lakh	58,40,000	5,25,60,000
<b>D.</b>	<b>Paid up Equity capital after the Issue</b>		
	46,61,179 Equity Shares of face value of Rs. 10/- each	4,66,11,790	-
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		1,93,89,512.00
	After the Issue		11,78,21,512.00

(1) This Issue has been authorized by the Board of Directors pursuant to a board resolution dated 27.07.2018 and by the shareholders of our Company pursuant to a special resolution dated 30.07.2018 passed at the EGM of the Company under Section 62 (1)(c) of the Companies Act, 2013.

\*For details of the change in authorized capital of our Company, see "Our History and Certain Corporate Matters- Amendments to our Memorandum of Association" on Page 108 of this Prospectus.

## Class of Shares

Our Company has only one class of share capital i.e. Equity Shares of Rs.10/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of the Prospectus.

## Notes to Capital Structure

Details of changes in Authorized Share Capital of our Company since incorporation:

Particulars of Change		Date of Shareholders approval	AGM / EGM
FROM	TO		
Rs. 50,00,000 consisting of 5,00,000 equity shares of Rs. 10/- each			On Incorporation
Rs. 50,00,000	Rs. 3,00,00,000	21.07.2012	EGM
Rs. 3,00,00,000	Rs. 16,00,00,000	28.04.2018	EGM

### 1. Equity Share Capital history of our Company

The following is the history of the Share Capital of our Company:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (Rs.)	Issue Price per Equity Share (Rs.)	Nature of Consideration (Cash/ Other than Cash)	Nature of Allotment	Cumulative Number of Equity Shares	Cumulative Share Capital (Rs.)
Upon Incorporation 27.08.2011	20,000	10	10	Cash	Subscription to MOA	20,000	2,00,000
28.08.2012	19,46,600	10	10	Consideration other than Cash	Pursuant to transfer of business of proprietorship concern into Company	19,66,600	1,96,66,000
25.02.2013	7,25,300	10	10	1,45,000 on cash and 5,80,300 on consideration other than cash	Issue of equity shares in lieu of loan outstanding and further allotment on right basis	26,91,900	2,69,19,000
31.07.2017	1,18,100	10	27	Cash	Allotment pursuant to right issue	28,10,000	2,81,00,000
19.06.2018	6,20,779	10	38	Cash	Preferential allotment	34,30,779	3,43,07,790

**Notes:**

- (1) Initial Subscribers to the MOA subscribed to 20,000 (Twenty Thousand only) Equity Shares of face value of Rs. 10/- each on 27.08.2011, as per the details given below:

S. No.	Name of the Subscriber to MOA	Number of Equity Shares Allotted
1.	Geeta Ladha	10,000
2.	Baldev Das Ladha	10,000
<b>Total</b>		<b>20,000</b>

- (2) Issue of 19,46,600 equity shares of face value of Rs. 10/- each on 28.08.2012 pursuant to transfer of business of proprietorship concern into Company through consideration other than cash :

Sr. No.	Name of Allottees	No of Shares Allotted
1.	Geeta Ladha	19,46,600
<b>Total</b>		<b>19,46,600</b>

- (3) Issue of 7,25,300 equity shares of face value of Rs. 10/- each on 25.02.2013 pursuant to Issue of equity shares in lieu of loan outstanding and further allotment on right basis as per the details given below:

Sr. No.	Name of Allottees	No of Shares Allotted
1.	Geeta Ladha (On Cash)	1,45,000
2.	Baldev Das Ladha	1,63,100
3.	Baldev Das Ladha HUF	93,900
4.	Kamala Devi Ladha	87,800
5.	Santosh Ladha	1,02,500
6.	Santosh Ladha HUF	1,33,000
<b>Total</b>		<b>7,25,300</b>

- (4) Issue of 1,18,100 equity shares of face value of Rs. 10/- each on 31.07.2017 pursuant to right issue as per the details given below:

Sr. No.	Name of Allottees	No of Shares Allotted
1.	Geeta Ladha	27,000
2.	Baldev Das Ladha	20,000
3.	Baldev Das Ladha HUF	14,100
4.	Kamala Devi Ladha	11,000
5.	Santosh Ladha	40,000
6.	Santosh Ladha HUF	6,000
<b>Total</b>		<b>1,18,100</b>

- (5) Preferential Allotment of 6,20,779 Equity Shares of face value of Rs. 10/- each fully paid as per the details given below:

Sl.No.	Name of Person	No. of shares Allotted
1.	Baldev Das Ladha	39,474
2.	Kamal Devi Ladha	26,316
3.	Geeta Ladha	78,947
4.	Santosh Ladha	39,474
5.	Baldev Das Ladha HUF	1,00,000
6.	Santosh Ladha HUF	47,368

Sl.No.	Name of Person	No. of shares Allotted
7.	Sushila Devi Mundhra	2,100
8.	Savitri Devi Mundhra	2,100
9.	Vivek Khemka	15,000
10.	Punita Singhania	90,000
11.	Sharmila Gaurang Vasani	45,000
12.	Gaurang Shashikant Vasani	45,000
13.	Vikash Patwari	35,000
14.	Vishal Patwari	35,000
15.	Murari Lal Patwari	20,000
	<b>Total</b>	<b>6,20,779</b>

- No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 or section 230-232 of the Companies Act, 2013.
- Except as disclosed below, no Equity Shares have been issued at price below Issue Price during the last one year:

Date of Allotment	Names of the Allottees	Number of Equity Shares	Face Value (in Rs.)	Issue Price per Equity Share (in Rs.)	Reasons for Allotment
19.06.2018	Baldev Das Ladha	39,474	10	38	Preferential allotment for repayment of loan and Working Capital
	Kamala Devi Ladha	26,316			
	Geeta Ladha	78,947			
	Santosh Ladha	39,474			
	Baldev Das Ladha HUF	1,00,000			
	Santosh Ladha HUF	47,368			
	Sushila Devi Mundhra	2,100			
	Savitri Devi Mundhra	2,100			
	Vivek Khemka	15,000			
	Punita Singhania	90,000			
	Sharmila Gaurang Vasani	45,000			
	Gaurang Shashikant Vasani	45,000			
	Vikash Patwari	35,000			
	Vishal Patwari	35,000			
	Murari Lal Patwari	20,000			

### 3. Build-up of our Promoters' Shareholding, Promoters' Contribution and Lock-in

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

As on the date of this Prospectus, Our Promoters (i) Mr. Santosh Ladha and (ii) Mrs. Geeta Ladha holds 3,45,074 and 22,07,547 equity shares which constitutes 10.06% and 64.35% of the issued, subscribed and paid-up Equity Share capital of our Company respectively.

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

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

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value (Rs.)	Issue/ Acquisition/ Sale Price per Equity Share (Rs.)	Nature of Consideration (Cash/ Other than Cash)	Nature of Transaction	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
<b>Santosh Ladha</b>							
25.02.2013	1,02,500	10	10	Other than Cash	Issue of equity shares in lieu of loan outstanding	2.99%	2.20%
14.03.2013	1,63,100	10	10	Other Than Cash	Transfer of shares pursuant to Gift	4.75%	3.50%
31.07.2017	40,000	10	27	Cash	Rights Issue	1.17%	0.86%
19.06.2018	39,474	10	38	Cash	Preferential allotment	1.15%	0.85%
<b>Total</b>	<b>3,45,074</b>					<b>10.06%</b>	<b>7.40%</b>

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value (Rs.)	Issue/ Acquisition/ Sale Price per Equity Share (Rs.)	Nature of Consideration (Cash/ Other than Cash)	Nature of Transaction	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
<b>Geeta Ladha</b>							
27.08.2011	10,000	10	10	Cash	Subscription to Memorandum	0.58%	0.21%
28.08.2012	19,46,600	10	10	Other than Cash	Pursuant to transfer of business of proprietorship concern into Company	56.74%	41.76%
25.02.2013	1,45,000	10	10	Cash	Rights Issue	4.23%	3.11%
31.07.2017	27,000	10	27	Cash	Rights Issue	0.79%	0.58%
19.06.2018	78,947	10	38	Cash	Private Placement	2.30%	1.69%
<b>Total</b>	<b>22,07,547</b>			<b>Cash</b>		<b>64.34%</b>	<b>47.36%</b>

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

Pursuant to Regulation 32 and 36 of 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 locked-in for a period of three (3) years from the date of Allotment.



All Equity Shares held by our Promoters except the shares issued on Private Placement basis on 19.06.2018 are eligible for Promoters' contribution, pursuant to Regulation 33 of the SEBI (ICDR) Regulations.

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

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

Details of Promoter's Contribution						
Date of Allotment and Made Fully Paid-up / Acquisition	Nature of Consideration (Cash/Other than Cash)	Number of Equity Shares Allotted/ Acquired/ Transferred	Face Value (Rs.)	Issue/ Acquisition Price (Rs.)	% of Post-Issue Share Capital	Period of Lock-in
<b>Geeta Ladha</b>						
28.08.2012	Cash	9,32,156	10	10	20.00%	3 years

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

The Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution under Regulation 33 of the SEBI (ICDR) Regulations. In this respect, we confirm the following:

- (i) that the minimum promoter's contribution does not consist of Equity Shares acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
- (ii) that the minimum promoter's contribution does not consist of Equity Shares acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Company or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution;
- (iii) that the minimum promoter's contribution does not consist of Equity Shares acquired during the one (1) year immediately preceding the date of this Prospectus at a price lower than the price at which the Equity Shares are being Issued to the public in the Issue;

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

In terms of Regulation 36 and 37 of the SEBI (ICDR) Regulations, other than the Equity Shares issued to the Promoters for the Minimum Promoter's Contribution, which will be locked-in as minimum Promoters' contribution for three (3) years, all the Pre-Issue Equity Shares shall be subject to lock-in for a period of one (1) year from the date of Allotment.

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

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

In terms of Regulation 39 of the SEBI (ICDR) Regulations, locked-in Equity Shares for one (1) year held by our Promoters may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Promoters' contribution can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

In terms of Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than our Promoters prior to the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("Takeover Regulations") and such transferee shall not be eligible to transfer them until the lock-in period stipulated in the SEBI (ICDR) Regulations has expired.

Further, in terms of Regulation 40 of SEBI (ICDR) Regulations, the Equity Shares held by our Promoters may be transferred to and among the Promoters 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 Regulations and such transferee shall not be eligible to transfer them until the lock-in period stipulated in the SEBI (ICDR) Regulations has expired.

We further confirm that our Promoters Contribution of 20% of the Post-Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

**(a) Shareholding of our Promoters & Promoter Group**

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

Particulars	Pre-Issue		Post-Issue	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
<b>Promoters (A)</b>				
Geeta Ladha	22,07,547	64.35%	22,07,547	47.36%
Santosh Ladha	3,45,074	10.06%	3,45,074	7.40%
<b>Promoter Group(B)</b>				
Baldev Das Ladha	69,474	2.03%	69,474	1.49%
Kamala Devi Ladha	1,25,116	3.65%	1,25,116	2.68%
Santosh Ladha HUF	1,86,368	5.43%	1,86,368	4.00%
Baldev Das Ladha HUF	2,08,000	6.06%	2,08,000	4.46%
Iris Fashions Private Limited	-	-	-	-
Iris Apparels Private Limited	-	-	-	-
<b>Total (A+B)</b>	<b>31,41,579</b>	<b>91.58%</b>	<b>31,41,579</b>	<b>67.40%</b>

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

There has been no acquisition, sale or transfer of Equity Shares by our Promoters in the last one (1) year preceding the date of filing of this Prospectus, other than as stated below:

Sl.No.	Name of Person	Category	Issue/ Acquisition Price (Rs.)	No. of shares Allotted
1.	Baldev Das Ladha	Promoter Group	38	39,474
2.	Kamala Devi Ladha	Promoter Group		26,316
3.	Geeta Ladha	Promoter		78,947
4.	Santosh Ladha	Promoter		39,474
5.	Baldev Das Ladha HUF	Promoter Group		1,00,000
6.	Santosh Ladha HUF	Promoter Group		47,368

#### 4. Shareholding Pattern of our Company

The table below presents the current shareholding pattern of our Company as per Regulation 31 of the SEBI Listing Regulations as on the date of this Prospectus:

Category (I)	Category of shareholder (II)	Nos. 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. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights		No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)	Number of Shares pledged or encumbered otherwise (XIII)	Number of equity shares held in dematerialized form (XIV)
								Class eg: X	Class eg: Y					
								Total as a % of (A+B+C)						
(A)	Promoter & Promoter Group	6	31,41,579	-	-	31,41,579	91.57%	91.57%	-	-	-	-	-	31,41,579
(B)	Public	9	2,89,200	-	-	2,89,200	8.43%	8.43%	-	-	-	-	-	4200
(c)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>15</b>	<b>34,30,779</b>	<b>-</b>	<b>-</b>	<b>34,30,779</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,45,779</b>

- We have entered into tripartite agreement with both depositories.
- Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Listing Regulation, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of NSE before commencement of trading of such Equity Shares.

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

Particulars	Number of Equity Shares	Percentage holding (%)
Geeta Ladha	22,07,547	64.35%
Santosh Ladha	3,45,074	10.06%
Baldev Das Ladha	69,474	2.03%
<b>Total</b>	<b>26,22,095</b>	<b>76.44%</b>

1. None of the persons belonging to the Public category are holding more than 1% of the total number of shares as on the date of this Prospectus except as stated below:

Sl.No.	Name of Person	Category	No. of shares Allotted	% of Pre-Issue Share Capital
1.	Punita Singhania	Public	90,000	2.62%
2.	Sharmila Gaurang Vasani	Public	45,000	1.31%
3.	Gaurang Shashikant Vasani	Public	45,000	1.31%
4.	Vikash Patwari	Public	35,000	1.02%
5.	Vishal Patwari	Public	35,000	1.02%

2. None of the Key Managerial Personnel holds Equity Shares in our Company as on the date of this Prospectus except as stated below:

Sl.No.	Name of Person	Designation as KMP	No. of shares Allotted	% of Pre-Issue Share Capital
1.	Santosh Ladha	Managing Director	3,45,074	10.06%
2.	Geeta Ladha	Whole Time Director	22,07,547	64.35%
<b>Total</b>				<b>74.41%</b>

### 3. Top Eleven Shareholders of our Company

- a. The top Eleven (11) shareholders of our Company as of the date of the filing of the Prospectus with the Stock Exchange are as follows:

Sl. No.	Name of the Shareholder	Number of Equity Shares	% of paid up capital
1.	Geeta Ladha	22,07,547	64.35%
2.	Santosh Ladha	3,45,074	10.06%
3.	Baldev Das Ladha HUF	2,08,000	6.06%
4.	Santosh Ladha HUF	1,86,368	5.43%
5.	Kamala Devi Ladha	1,25,116	3.65%
6.	Punita Singhania	90,000	2.62%
7.	Baldev Das Ladha	69,474	2.03%
8.	Sharmila Gaurang Vasani	45,000	1.31%
9.	Gaurang Shashikant Vasani	45,000	1.31%
10.	Vikash Patwari	35,000	1.02%
11.	Vishal Patwari	35,000	1.02%
<b>Total</b>		<b>33,91,579</b>	<b>98.86%</b>

- b. The top Eleven (11) shareholders of our Company as of ten (10) days prior to the date of Prospectus are as follows:

Sl. No.	Name of the Shareholder	Number of Equity Shares	% of paid up capital
1.	Geeta Ladha	22,07,547	64.35%
2.	Santosh Ladha	3,45,074	10.06%
3.	Baldev Das Ladha HUF	2,08,000	6.06%
4.	Santosh Ladha HUF	1,86,368	5.43%
5.	Kamala Devi Ladha	1,25,116	3.65%
6.	Punita Singhania	90,000	2.62%
7.	Baldev Das Ladha	69,474	2.03%
8.	Sharmila Gaurang Vasani	45,000	1.31%
9.	Gaurang Shashikant Vasani	45,000	1.31%
10.	Vikash Patwari	35,000	1.02%
11.	Vishal Patwari	35,000	1.02%
<b>Total</b>		<b>33,91,579</b>	<b>98.86%</b>

- c. The top ten (10) shareholders of our Company as on a date two years prior to the filing of the Prospectus with the Stock Exchange are as follows:

Sl. No.	Name of the Shareholder	Number of Equity Shares	% of paid up capital
1.	Geeta Ladha	21,01,600	78.07%
2.	Santosh Ladha	2,65,600	9.87%
3.	Baldev Das Ladha	10,000	0.37%
4.	Kamala Devi Ladha	87,800	3.26%
5.	Baldev Das Ladha HUF	93,900	3.49%
6.	Santosh Ladha HUF	133,000	4.94%
<b>Total</b>		<b>26,91,900</b>	<b>100.00%</b>

1. Till date Company has not introduced any employee's stock option schemes/ employees stock purchase schemes.
2. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangements or financed the purchase of the Equity shares of our Company by any other person during the period of six (6) months immediately preceding the date of filing of the Prospectus.
5. We hereby confirm that there will be no further issue of capital whether by the way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of the Issue.
6. Our Company, our Promoters, our Directors and the Lead Manager have not entered into any buy-back or standby arrangements for the purchase of the Equity Shares of our Company.
7. None of the Promoters, Promoter Group, the Directors and their relatives have purchased or sold any Equity Shares during the period of six (6) months immediately preceding the date of filing of this Prospectus with the Stock Exchange, save and except as disclosed under points 3 (d) sub-point (a) above.
8. Our Company undertakes that there shall be only one (1) denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.

9. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this Prospectus.
10. The Equity Shares are fully paid up and there are no partly paid-up Equity Shares as on the date of filing of this Prospectus.
11. Our Company shall comply with such disclosures and accounting norms as may be specified by SEBI and other regulatory authorities from time to time.
12. The Equity Shares issued pursuant to this Issue shall be fully paid-up.
13. Our Company has not made any public issue of any kind or class of securities of our Company within the immediately preceding two (2) years prior to filing this Prospectus.
14. As on date of this Prospectus, our Company has 15 (Fifteen) shareholders.
15. Our Company, Directors, Promoters or members of our Promoter Group shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Prospectus.
16. Our Company does not have any proposal or intention to alter the equity capital structure by way of split/ consolidation of the denomination of the Equity Shares, or the issue of securities on a preferential basis or issue of bonus or rights or further public issue of securities or qualified institutions placement within a period of six (6) months from the date of opening of the Issue. However, if business needs of our Company so require, our Company may alter the capital structure by way of split / consolidation of the denomination of the Equity Shares / issue of Equity Shares on a preferential basis or issue of bonus or rights or public or preferential issue of Equity Shares or any other securities during the period of six (6) months from the date of opening of the Issue or from the date the application moneys are refunded on account of failure of the Issue, after seeking and obtaining all the approvals which may be required.
17. Our Company has not revalued its assets during the last five (5) financial years.
18. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the Post-Issue Paid-up Capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to three (3) years lock-in shall be suitably increased; so as to ensure that 20% of the Post-Issue Paid-up Capital is locked in.
19. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
20. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43(4) of SEBI (ICDR) Regulations.
21. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
22. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net Issue to the public portion.
23. There are no Equity Shares against which depository receipts have been issued.
24. Other than the Equity Shares, there is no other class of securities issued by our Company.
25. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering this Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within twenty-four (24) hours of such transactions being completed.

26. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, the Issue is being made for at least 25% of the Post-Issue Paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, as amended from time to time.

27. Our Promoters and members of our Promoter Group will not participate in this Issue.

The Lead Manager and its associates do not hold any Equity Shares in our Company as on the date of filing this Prospectus.



## OBJECTS OF ISSUE

### Requirement of Funds:

Our Company proposes to utilize the funds which are being raised towards funding the following objects and achieve the benefits of listing on the Emerge SME platform of National Stock Exchange of India Limited (NSE).

The objects of the Issue are:-

1. To meet the incremental working capital requirements
2. To meet the Issue Expenses
3. For general corporate purposes

We believe that listing will enhance our Company's corporate image, brand name and create a public market for our Equity Shares in India. The main objects clause of our Memorandum enables us to undertake the activities for which funds are being raised in this Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution.

### Fund Requirements

The fund requirement and deployment is based on internal management and our Company's current business plan and is subject to change in the light of changes in external circumstances or costs, other financial conditions and business strategy. Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

We tend to utilize the proceeds of the issue, in the following manner:

Sr. No	Particulars	Amount (Rs. In Lakhs)
1.	Incremental Working Capital Requirement	850.00
2.	Issue Expenses	50.00
3.	General Corporate Purposes	207.36
	Gross Issue proceeds	1107.36
	Less: Issue Expenses	(50.00)
	<b>Net Issue Proceeds</b>	<b>1057.36</b>

### Means of Finance

We intend to finance our Objects of Issue through proceeds of the Issue.

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

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

We may have to revise our estimated costs, fund allocation and fund requirements owing to factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular object at the discretion of our management. In the event that estimated utilization out of the Net Proceeds in a Fiscal is not completely met, the same shall be utilized in the next Fiscal.

Our historical business pattern may not be reflective of our future business plans. We may have to revise our estimated costs and fund requirements owing to factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. In case of delays in raising funds from the

Issue, our company may deploy certain amounts towards any of the above mentioned Objects through Internal Accruals and/or debts and in such case the Funds raised shall be utilized towards repayment of such debts or recouping of Internal Accruals.

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

**Details of utilization of Issue Proceeds:**

**Working Capital Requirement**

Our business is working capital intensive. Considering the existing and future growth, out of the issue proceeds, Rs. 850 Lakh is proposed to be deployed to meet the working capital requirement. Inventory, debtors, advances, creditors have been taken at various levels, which is in consonance with the past trends. The estimates of working capital requirement are based on the management's internal estimates which are as follows:

Rs. In lakhs			
Particulars	Restated Audited as on 31.03.2017	Restated Audited as on 31.03.2018	Estimated for 31.03.2019
<b>Current Assets</b>			
Inventory	855.39	1,103.32	1,450.00
Trade Receivables	867.17	1,054.12	1,500.00
Cash and cash Equivalents	140.79	186.14	219.00
Short term Loans and Advances & Other Current Assets	102.78	91.87	501.99
<b>Total (A)</b>	<b>1,966.12</b>	<b>2,435.45</b>	<b>3,670.99</b>
<b>Current Liabilities</b>			
Trade Payables	673.55	641.99	650.00
Short Term Provisions	0.38	0.87	-
Other Current Liabilities	199.49	206.46	501.29
<b>Total (B)</b>	<b>873.42</b>	<b>849.32</b>	<b>1,151.29</b>
<b>Net Working Capital (A)-(B)</b>	<b>1,092.70</b>	<b>1,586.13</b>	<b>2,519.70</b>
<b>Source of Working Capital</b>			
Short-term Borrowings (Including Balance with Bank in Cash Credit Account/ CC Limit)	1,165.72	1,471.02	1,600.00
Net IPO Proceeds			850.00
Internal Sources			69.70

The working capital holding levels are as under:

Items	Particulars
Trade Payables	The Trade Payable days were of 53 days in FY 2017 and 44 Days in 2018. We have assumed trade payable of 33 days for the FY 2019. We expect to prune our creditor days by infusing funds towards working capital from the net issue and get benefits of better pricing by offering faster payment terms
Inventory	The Inventory turnover days in FY 2017 was of 67 days and 76 days for the FY 2018. We have assumed inventory turnover of 74 days in FY 2019. Our inventories are significant and are expected to grow in line with the growth in our business
Trade Receivables	The debtors holding period was of 68 days in FY 2017 and 73 days in FY 2018. We have assumed trade receivables of 76 days for the FY 2019 based on existing trend in Debtor collection period

### Basis of Estimation

The incremental long term working capital requirements are based on historical Company data and estimation of the future requirements in Fiscal Year 2018-19 considering the growth in activities of our Company and in line with accepted industry norms. The Company is predominantly in business of manufacturing and distribution of children wear. The Company can produce various kinds of garments in various styles across three categories which include night wears, casual wears for kids and babywear and can manufacture leggings for ladies. It is presently manufacturing and distributing the garments for kids and babywear under its own registered brand name "Doreme" and leggings under the brand name "Oxcgen". Considering the above business model the working capital requirement is calculated based on availability of opportunity and the capability of the company to arrange working capital. The holding period of inventory and the blocking period of receivables as well as the credit available from suppliers varies from case to case and season to season and hence no fixed standard for each working capital asset is applicable in this type of business.

### Issue Related Expenses

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, market making fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are approximately Rs. 50 Lakhs. The break-up of the same is as follows:

Expenses	Expenses (Rs. In Lakhs)	Expenses (% of Total Issue expenses)	Expenses (% of total Issue size)
Payment to Merchant Banker including underwriting, brokerage and selling commission and payment to other intermediaries such as Legal Advisor, Registrar, Market Maker, Bankers, issue advertisers, issue printers, etc. and other out of pocket expenses	45.00	90%	4.06%
Regulatory Fees and other Expenses	5.00	10%	0.45%
<b>Total estimated Issue Expenses</b>	<b>50.00</b>	<b>100%</b>	<b>4.51%</b>

### Bridge Financing

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

### Schedule of Implementation and Deployment of Funds

As estimated by our management, the net proceeds from the Issue shall be utilized as follows:

Particulars	Total funds required (Rs. In Lakhs)	Deployment during FY 2018-19
Working capital requirement	850	850
General Corporate Purposes	207.36	207.36
Total		1057.36

### **Funds Deployed and Source of Funds Deployed**

M/s. AMK & ASSOCIATES, Chartered Accountants have vide certificate dated 14.09.2018, confirmed that as on 31.08.2018 following funds were deployed for the proposed Objects of the Issue out of the Company's internal accruals:

<b>Particulars</b>	<b>Amount (Rs.)</b>
Issue Related Expenses	6,13,000
Total	6,13,000

### **Appraisal by Appraising Agency**

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

### **Interim Use of Funds**

Since the major part of the proceeds, net of issue expenses is for working capital requirement of the Company, the entire net proceeds shall be deposited with Company's banker which is a scheduled commercial bank included in the Second Schedule of the Reserve Bank of India Act, 1934. Our Company confirms that, pending utilization of the Net Proceeds, it shall not use the Net Proceeds for any investment in any other equity or equity linked securities or for buying, trading or otherwise dealing in shares of any listed company.

### **Monitoring Utilisation of Funds**

As the Issue size is less than Rs. 500 crore, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency. Our Board and the management will monitor the utilization of the Net Proceeds through its Audit Committee. Pursuant to the Regulation 32 of SEBI Listing Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company. Further, in accordance with SEBI Listing Regulations, 2015, 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 Net 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 the Objects of the Issue without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Prospectus, in accordance with such terms and conditions as may be specified on this behalf by the SEBI.

### **Other Confirmations**

Other than as disclosed above, no part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, members of the Promoter Group, our Directors, Key Management Personnel or Group Entities except as may be required in the normal course of business. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with Promoters, Directors, key management personnel, associates or Group Entities in relation to the utilization of the Net Proceeds of the Issue.

## BASIC TERMS OF THE ISSUE

### Terms of the Issue

The Equity Shares, now being offered, are subject to the terms and conditions of this Prospectus, the Application Form, the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, the Depositories Act, NSE, 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 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

### Authority for the Issue

The present Issue has been authorized pursuant to a resolution of our Board dated January 05, 2018 and by Special Resolution dated January 08, 2018, passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra Ordinary General Meeting of our shareholders:

Face Value	Each Equity Share shall have the face value of Rs. 10 each.
Issue Price	Each Equity Share is being offered at a price of Rs. 90 each and is 9 times of the Face Value.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is 1600 (Sixteen) and the multiple of 1600 subject to a minimum allotment of 1600 Equity Shares to the successful applicants.
Terms of Payment	100% of the Issue price of Rs. 90/- shall be payable on Application. For further details, please refer to the chapter titled "Issue Procedure" beginning on page 219 of this Prospectus
Ranking of Equity shares	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank <i>pari-passu</i> in all respects including dividends with the existing Equity Shares of the Company

### 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, if the "stated minimum amount" has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of Issue of Prospectus, 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 of Underwriters within sixty days from the date of closure of the issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 40 of the Companies Act, 2013

## BASIS FOR ISSUE PRICE

Investors should read the following basis with the "Risk Factors" beginning on page 12 and the details about the "Our Business" and its "Financial Information" included in this Prospectus on page 83 & 131 respectively to get a more informed view before making any investment decisions.

The Offer Price of Rs. 90/- per share has been determined by our Company in consultation with the LM on the basis of assessment of market demand for the Equity Shares through the Fixed Issue price method and on the basis of the following qualitative and quantitative factors for the Equity Shares. The face value of the Equity Shares is Rs. 10 each and the Offer Price is 9 times the face value.

### QUALITATIVE FACTORS

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

- Widespread Distribution Network
- Customer Satisfaction
- Quality Assurance
- Existing relationship with suppliers
- Experienced Management

### QUANTITATIVE FACTORS

Information presented in this section is derived from our Restated Financial Statements certified by the Statutory Auditors of the Company.

#### 1. Basic and Diluted Earnings Per Share (EPS) & Diluted Earnings Per Share (EPS) as Adjusted:

As per the Company's restated financial information:

Particulars	Basic EPS (Rupees)	Diluted EPS (Rupees)	Weight
Year ended March 31, 2018	12.20	12.20	5
Year ended March 31, 2017	5.93	5.93	4
Year ended March 31, 2016	2.40	2.40	3
Year ended March 31, 2015	0.90	0.90	2
Year ended March 31, 2014	2.53	2.53	1
<b>Weighted average</b>	<b>6.42</b>	<b>6.42</b>	
For the period ended June 30, 2018 (Not Annualized)	<b>4.05</b>	<b>4.05</b>	
For the period ended June 30, 2018 (Annualized)	<b>16.20</b>	<b>16.20</b>	

**Weighted average** = Aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]

**Note:**

Basic EPS and Diluted EPS Calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share' issued by ICAI.

Face value of the Equity Shares is Rs. 10/-.

#### 2. Price Earning (P/E) Ratio in relation to the Offer Price of Rs. 90.00 per Equity Share of Rs. 10 each

Particulars	P/E at the issue price
P/E ratio based on Basic and Diluted EPS for the FY 2017-18	<b>7.34</b>
P/E ratio based on Adjusted EPS	<b>7.34</b>
P/E ratio based on Weighted Average EPS	<b>14.02</b>

Particulars	P/E at the issue price
P/E ratio based on Basic and Diluted EPS for the period ended June 30, 2018	<b>5.56</b>
P/E ratio based on Adjusted EPS for the period ended June 30, 2018	<b>5.56</b>

**Note:** Basic and Diluted EPS for the period ended June 30, 2018 (annualized) Rs. 16.20

### 3. Industry P/E ratio\*

Particulars	P/E
Highest	263
Lowest	8.1
Average	40.7

\*Source: Capital Market; Vol. XXXIII/11 dated July 16-July 29 2018.

### 4. Average Return on Net Worth As Per Restated Indian GAAP Financials, ("RONW"):

As per the Company's restated financial information:

Particulars	RONW %	Weight
Year ended March 31, 2018	33.35%	5
Year ended March 31, 2017	24.83%	4
Year ended March 31, 2016	13.36%	3
Year ended March 31, 2015	5.78%	2
Year ended March 31, 2014	17.25%	1
<b>Weighted average</b>	<b>22.33%</b>	
For the period ended June 30, 2018	8.57%	

**Note:**

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

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

### 5. Minimum Return on Net Worth after Issue to maintain Pre-Issue Basic EPS for the period ended June 30, 2018 (annualized EPS)

Particulars	%
At Issue Price of Rs. 90/- each	30.53%

### 6. Net Asset Value

#### Net Asset Value per Equity Share as at June 30, 2018 and March 31, 2018:

- Net Asset Value per Equity Share as of March 31, 2018 is Rs. 36.33 per share.
- Net Asset Value per Equity Share as of June 30, 2018 is Rs. 46.89 per share
- Net Asset Value per Equity Share after the Offer shall be Rs. 53.00\*
- Offer Price per equity shares is Rs. 90/-.

\*based on Net Asset Value as on June 30, 2018 and considering the present issue.

**Company has not issued any bonus shares during the 5 years period.**



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

Particulars	Face Value (Rs.)	EPS (Rs. Per share)	P/E Ratio*	RONW (%)	Book Value / NAV (Rs.)
Iris Clothings Limited <sup>1</sup>	10/-	12.20	7.37 <sup>§</sup>	33.35	35.82
Ashapura Intimates Fashion Limited	10	29.31 <sup>^</sup>	15.36	27.94%	88.29
Indian Terrain Fashions Ltd.	2	6.71	26.08	12.47%	268.81
S. P. Apparels Limited	10	19	17.42	12.04%	157.82

<sup>1</sup>Based on March 31, 2018 restated financials

\*P/E Ratio has been arrived by dividing closing market price as on 31.03.2018 by basic EPS for the year ended 31.03.2018.

<sup>^</sup>Basic EPS.

<sup>§</sup> calculated as Issue price divided by EPS

**8. The face value of our shares is Rs.10.00 per share and the Issue Price is of Rs. 90.00 per share is 9 times of the face value.**

Our Company in consultation with the Lead Manager believes that the Issue Price of Rs. 90.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment proposition.

## STATEMENT OF POSSIBLE TAX BENEFITS

To  
The Board of Directors,  
**IRIS CLOTHINGS LIMITED**  
103/24/1, Foreshore Road, Shibpur,  
Binani Metal Compound,  
Howrah, West Bengal- 711102

Dear Sirs,

**Sub: Statement of possible Special tax benefit ('the Statement') available to IRIS CLOTHINGS LIMITED ("the Company") and its shareholders prepared in accordance with the requirements under Schedule VIII Part A Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'Regulations')**

We hereby confirm that the enclosed annexure, prepared by **IRIS CLOTHINGS LIMITED** ('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'), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, 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 do not cover any general tax benefits available to the Company or its Shareholders and is neither exhaustive nor conclusive. Further, these benefits are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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, where applicable 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 solely for your information and for inclusion in the Prospectus/ Prospectus or any other issue related material 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 prior written consent.

Date: 13.08.2018  Place: Kolkata	For AMK & Associates Chartered Accountants F.R.N.327817E Bhupendra Kumar Bhutia Partner Membership No. 059363
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**ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO IRIS CLOTHINGS LIMITED (“THE COMPANY”) AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 presently forced in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have different interpretation on the benefits, which an investor can avail.

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

**1. Special Tax Benefits available to the Company under the Act:**

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

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

The Shareholders of the company are not entitled to any Special tax benefits under the Act.

**Notes:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

## OUR INDUSTRY

### Introduction

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

### Market size

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

The tax collection figures between April 2017- February 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.

[Source: [www.ibef.org](http://www.ibef.org)]

### Recent Developments

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India increased 53.3 per cent to US\$ 77.6 billion in 2017 while private equity (PE) deals reached US\$ 24.4 billion. Some of the important recent developments in Indian economy are as follows:

- India's merchandise exports and imports grew 11.02 per cent and 21.04 per cent on a y-o-y basis to US\$ 273.73 billion and US\$ 416.87 billion, respectively, during April-February 2017-18.
- India's Foreign Direct Investment (FDI) inflows reached US\$ 208.99 billion during April 2014 - December 2017, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 7.5 per cent year-on-year in January 2018 while retail inflation reached a four month low of 4.4 per cent in February 2018.
- Employment on net basis in eight key sectors in India including manufacturing, IT and transport increased by 136,000 in July-September quarter of 2017-18.
- The average salary hike of Indian employees is estimated to be 9.4 per cent and that of key talents is estimated to be nearly 15.4 per cent in 2018, backed by increased focus on performance by companies, according to Aon Hewitt.
- Indian merchandise exports in dollar terms registered a growth of 4.48 per cent year-on-year in February 2018 at US\$ 25.83 billion, according to the data from Ministry of Commerce & Industry.
- Indian companies raised Rs 1.6 trillion (US\$ 24.96 billion) through primary market in 2017.
- Moody's upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook.
- The top 100 companies in India are leading in the world in terms of disclosing their spending on corporate social responsibility (CSR), according to a 49-country study by global consultancy giant, KPMG.
- The bank recapitalisation plan by Government of India is expected to push credit growth in the country to 15 per cent, according to a report by Ambit Capital.
- India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report.
- India's ranking in the world has improved to 126 in terms of its per capita GDP, based on purchasing power parity (PPP) as it increased to US\$ 7,170 in 2017, as per data from the International Monetary Fund (IMF).
- India is expected to have 100,000 startups by 2025, which will create employment for 3.25 million people and US\$ 500 billion in value, as per Mr T V Mohan Das Pai, Chairman, Manipal Global Education.

- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.
- The Niti Aayog has predicted that rapid adoption of green mobility solutions like public transport, electric vehicles and car-pooling could likely help India save around Rs 3.9 trillion (US\$ 60 billion) in 2030.
- Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.
- The Union Cabinet, Government of India, has approved the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST), and Compensation Bill.
- The Nikkei India manufacturing Purchasing Managers' Index increased at the fastest pace in December 2017 to reach 54.7, signaling a recovery in the economy.

### Government Initiatives

The Union Budget for 2018-19 was announced by Mr Arun Jaitley, Union Minister for Finance, Government of India, in Parliament on February 1, 2018. This year's budget will focus on uplifting the rural economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country. As per the budget, the government is committed towards doubling the farmers' income by 2022. A total of Rs 14.34 lakh crore (US\$ 225.43 billion) will be spent for creation of livelihood and infrastructure in rural areas. Budgetary allocation for infrastructure is set at Rs 5.97 lakh crore (US\$ 93.85 billion) for 2018-19. All-time high allocations have been made to the rail and road sectors.

India's unemployment rate is expected to be 3.5 per cent in 2018, according to the International Labour Organisation (ILO).

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the government are listed below:

- The Union Cabinet gave its approval to the North-East Industrial Development Scheme (NEIDS) 2017 in March 2018 with an outlay of Rs 3,000 crores (US\$ 460 million) up to March 2020.
- In March 2018, construction of 321,567 additional houses across 523 cities under the Pradhan Mantri Awas Yojana (Urban) has been approved by the Ministry of Housing and Urban Poverty Alleviation, Government of India with an allocation of Rs 18,203 crore.
- The Ministry of Power, Government of India has partnered with the Ministry of Skill Development & Entrepreneurship to provide training to the manpower in six states in an effort to speed up the implementation of SAUBHAGYA (Pradhan Mantri Sahaj Bijli Har Ghar Yojna).
- Prime Minister's Employment Generation Programme (PMEGP) will be continued with an outlay of Rs 5,500 crore (US\$ 844.81 million) for three years from 2017-18 to 2019-20, according to the Cabinet Committee on Economic Affairs (CCEA).
- In February 2018, The Union Cabinet Committee has approved setting up of National Urban Housing Fund (NUHF) for Rs 60,000 crore (US\$ 9.3 billion) which will help in raising requisite funds in the next four years.
- The target of an Open Defecation Free (ODF) India will be achieved by October 2, 2019 as adequate funding is available to the Swachh Bharat Mission (Gramin), according to Ms Uma Bharti, Minister of Drinking Water and Sanitation, Government of India.
- The Government of India has succeeded in providing road connectivity to 85 per cent of the 178,184 eligible rural habitations in the country under its Pradhan Mantri Gram Sadak Yojana (PMGSY) since its launch in 2014.
- A total of 15,183 villages have been electrified in India between April 2015-November 2017 and complete electrification of all villages is expected by May 2018, according to Mr Raj Kumar Singh, Minister of State (IC) for Power and New & Renewable Energy, Government of India.
- The Government of India has decided to invest Rs 2.11 trillion (US\$ 32.9 billion) to recapitalise public sector banks over the next two years and Rs 7 trillion (US\$ 109.31 billion) for construction of new roads and highways over the next five years.

- The mid-term review of India's Foreign Trade Policy (FTP) 2015-20 has been released by Ministry of Commerce & Industry, Government of India, under which annual incentives for labour intensive MSME sectors have been increased by 2 per cent.
- The India-Japan Act East Forum, under which India and Japan will work on development projects in the North-East Region of India will be a milestone for bilateral relations between the two countries, according to Mr Kenji Hiramatsu, Ambassador of Japan to India.
- The Government of India will spend around Rs 1 lakh crore (US\$ 15.62 billion) during FY 18-20 to build roads in the country under Pradhan Mantri Gram Sadak Yojana (PMGSY).
- The Government of India plans to facilitate partnerships between gram panchayats, private companies and other social organisations, to push for rural development under its 'Mission Antyodaya' and has already selected 50,000 panchayats across the country for the same.
- The Government of India and the Government of Portugal have signed 11 bilateral agreements in areas of outer space, double taxation, and nano technology, among others, which will help in strengthening the economic ties between the two countries.
- India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 436- 467 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

### **Road Ahead**

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

## TEXTILE INDUSTRY OUTLOOK

### GLOBAL ECONOMIC OVERVIEW

The textile and apparel industry has witnessed changes in the last few decades. Over the years, a major part of the industry has moved away from developed countries like the US, the EU and Japan to destinations like China, South Asia and South-East Asia. Two most vital variables which brought on this move were the availability of low-cost manpower and abundant of raw material in Asian countries. India, among the Asian countries, is one of the most competitive textile and apparel manufacturing centre today.

Today's textile and apparel sector is again at the cusp of some major structural changes. The demand pattern is governed by the economic growth of regions, which indicates a slowdown in developed countries while strong growth in China and India. The export growth rate of China has already slowed down, a trend that will lead China to lose some share of global market while still being the largest exporting nation. The opportunity arising because of China's export growth slowdown can help countries like India, Bangladesh, Vietnam, etc., to increase their trade share. FTAs of these suppliers with major markets of EU, the US and Japan will be of special importance. On the supply side, lack of growth in cotton output will help synthetics to gain share continually. These are some of the mega trends that will impact the industry structure over the next decade.

For the Indian industry, these are specifically interesting times. India stands a chance to gain a prominent market share because of China's growth slowdown, supporting the Government policies and a strong raw material base. The way that India's own local request is likewise vast and developing is good to beat all.

The current global apparel market is estimated at \$1.7 trillion which forms approximately 2 per cent of the world GDP of \$73.5 trillion. Apparel consumption in top 8 economies constitutes approximately 70 per cent of the global consumption. All four BRIC nations appear among the top markets having a cumulative share of approximately 23 per cent. Combined apparel consumption of the US and the EU is 40 per cent while they are a home to just 11 per cent of the world population, implying a very high level of per capita expenditure on Apparel (PEAP) compared to the rest of the world.

Region	2012	2015	2025	CAGR
China**	150	237	615	10
EU-28**	350	350	390	1
United States**	225	315	385	2
India	45	59	180	12
Japan	110	93	150	2
Russia	40	40	105	8
Brazil	55	56	100	5
Canada	30	25	50	4
Australia	25	45	-	5
Others	-	510	-	-
Total	-	1685	-	-

An increase in the disposable income of the developing countries would mean that for an emerging or developing market the apparel consumption growth rate would be faster than its economic growth. Based on the projected GDP growth rate and its relation with the apparel market growth, it is projected that the global apparel consumption will increase to \$2.6 trillion by 2025

China and India have successfully leveraged their large human resource base, low manufacturing costs and large scale infrastructure to achieve a leading position in the world trade. While China has been at the forefront of attracting investments across the sectors, India is also catching up fast. In fact, India replaced China as the largest FDI recipient in 2015. The growing apparel market of China and India are expected to surpass several developed markets representing a significant portion of the global apparel consumption. Despite global uncertainties, the Chinese market grew at 15 per cent annually while the Indian market grew at 11 per cent from 2007 to 2015. This can be attributed to the growing consuming class and continuous growth in the spending power in these two countries

The present apparel market size of China and India is estimated to be \$237 billion and \$59 billion respectively. Over the next few years, the combined apparel retail economy of the two majors will represent a significant proportion of the



global apparel consumption surpassing several developed markets. Both markets have shown robust growth in the past despite global uncertainties and slack demand. From 2007 to 2015, the Chinese market posted an annualized growth of 15 per cent whereas the Indian market registered a somewhat lower growth of 11 per cent. However, both the markets have performed better than the largest consumption regions (the US, the EU and Japan) where a change in economic conditions led to lower demand growth.

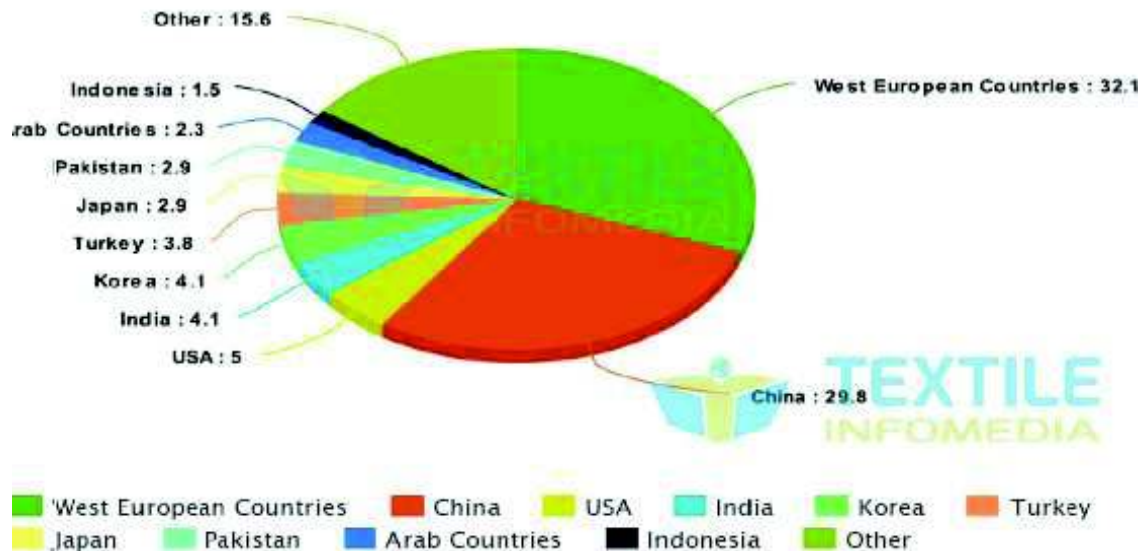
Figure: Global Apparel Market Size Projections (2025)

S. No.	Region	2015	Projected CAGR	2025
1	EU-28	350	1%	390
2	USA	315	2%	385
3	China	237	10%	615
4	Japan	93	1%	105
5	India	59	12%	180
6	Brazil	56	5%	90
7	Russia	40	4%	59
8	Canada	25	2%	30
	Others	510	4%	746

Both the Chinese and Indian economies are expected to maintain high growth rates in the next decade which will be the major driver of apparel market growth in both countries. Studies show that countries after achieving a per capita GDP of more than \$2,500 experience a spur of economic growth led by consumer spending. The Indian economy is expected to reach this target by 2020, whereas China is already well past this level.

Apart from economic growth, India's market expansion is expected to be supported by increasing youth population and high purchasing power, shift from need-based purchase to aspiration-based purchase, urbanization and growth of new retail formats with better reach. For China, the specific demand for kids wear is expected to rise with the abolition of one-child policy. Similarly, demand of outdoor wear and fast fashion categories is increasing rapidly. There is also gradual increase in spending of the Chinese customer from the offline to online retail channel.

## Textile Exporters By country



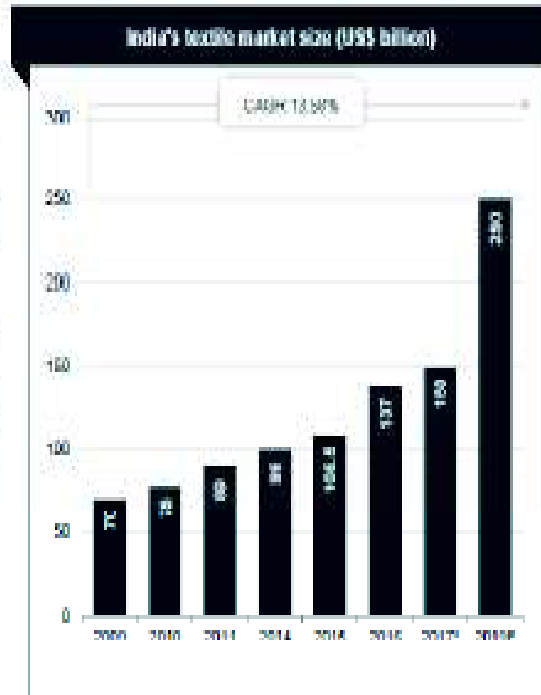
### Introduction to Indian Textile Industry

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale. The textile industry employs about 105 million people directly and indirectly. India's overall textile exports during FY 2017-18 stood at US\$ 37.74 billion.

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

## Role of Textile Industry in Indian Economy

- Textile plays a major role in the Indian economy
  - It contributes 14 per cent to industrial production and 4 per cent to GDP.
  - With over 45 million people, the industry is one of the largest source of employment generation in the country.
- The industry accounts for nearly 15 per cent of total exports. Exports of textiles from India reached US\$ 25.91 billion during April – December 2017.
- The size of India's textile market as of July 2017 was around 148.150 billion, which is expected to touch US\$ 250 billion market by 2020, growing at a CAGR of 13.50 per cent between 2009-2019.
- The central government is planning to finalise and launch the new textile policy in the next three months.<sup>1</sup> The policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs.



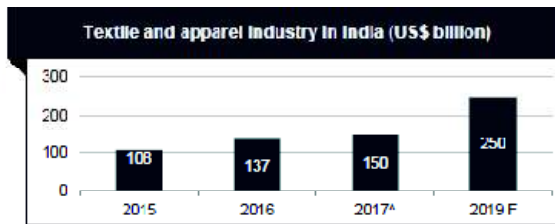
## Market Size

The Indian textiles industry, currently estimated at around US\$ 150 billion, is expected to reach US\$ 230 billion by 2020. The Indian Textile Industry contributes approximately 2 per cent to India's Gross Domestic Product (GDP), 10 per cent of manufacturing production and 14 per cent to overall Index of Industrial Production (IIP).

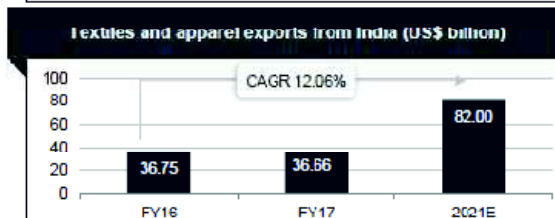
The production of cotton in India is estimated to increase by 9.3 per cent year-on-year to reach 37.7 million bales in FY 2017-18. The total area under cultivation of cotton in India is expected to increase by 7 per cent to 11.3 million hectares in 2017-18, on account of expectations of better returns from rising prices and improved crop yields during the year 2016-17.

Indian exports of locally made retail and lifestyle products grew at a compound annual growth rate (CAGR) of 10 per cent from 2013 to 2016, mainly led by bedding bath and home decor products and textiles.#

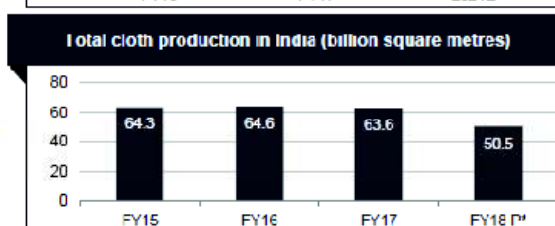
- Rising per capita income, favourable demographics and a shift in preference to branded products to boost demand
- The domestic textile industry in India is projected to reach US\$ 250 billion by 2019 from US\$ 150 billion in July 2017.



- Favourable trade policies and superior quality to drive textile exports
- Textile and apparel exports from India is expected to increase to US\$ 82 billion by 2021 from US\$ 36.66 billion in FY17

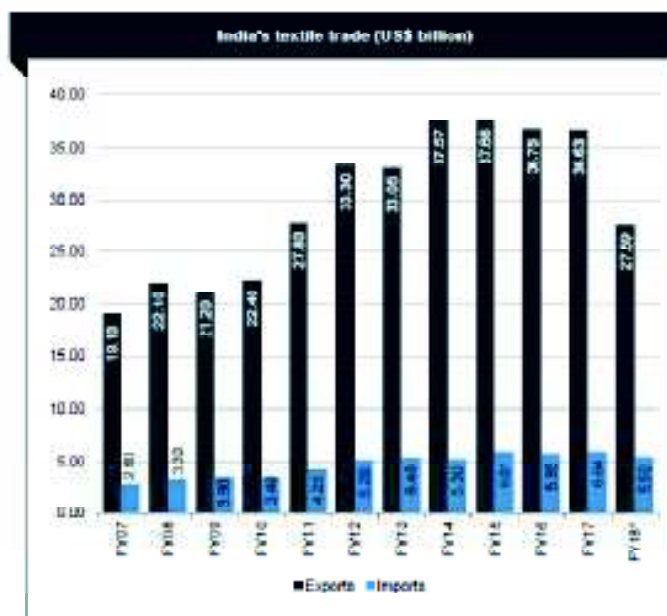


- Increase in domestic demand set to boost cloth production
- Total cloth production in India in FY17 was 63.6 billion square metres.
- Cloth production between April-December 2017 stood at 50.47 billion square metres (provisional).



## Export Outlook

- Exports have been a core feature of India's textile and apparel sector, a fact corroborated by trade figures
- Exports in textile and apparel sector stood at US\$ 36.63 billion in FY17. Exports of textiles from India reached US\$ 27.85 billion during April – December 2017.
- As of November 2016, the government has extended the duty drawback facility on all textile products and increased the rates in some cases for 1 year to boost exports in the sector
- The Goods and Services Tax that rolled out in July 2017 is expected to make imported garments cheaper by 5-6 per cent, as the GST regime will levy 0 per cent tax for both domestic textile manufacturers and importers.
- India took the top spot in market share in the men's boys' knitwear shirts cotton category with respect to garment exports to the US between January-June 2017.<sup>4</sup>



**Note:** ^ - as per data released by the Office of Textile and Apparel, US department of commerce, FY18\* - up to December 2017

**Source:** Ministry of Textiles, Budget 2015

## Investment

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 2.82 billion during April 2000 to December 2017.

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

- The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of Rs 1,300 crore (US\$ 202.9 million) from 2017-18 to 2019-20.
- Future Group is planning to open 80 new stores under its affordable fashion format, Fashion at Big Bazaar (FBB), and is targeting sales of 230 million units of garments by March 2018, which is expected to grow to 800 million units by 2021.
- Raymond has partnered with Khadi and Village Industries Commission (KVIC) to sell Khadi-marked readymade garments and fabric in KVIC and Raymond outlets across India.
- Max Fashion, a part of Dubai based Landmark Group, plans to expand its sales network to 400 stores in 120 cities by investing Rs 400 crore (US\$ 60 million) in the next 4 years.
- In May 2018, textiles sector recorded investments worth Rs 27,000 crore (US\$ 4.19 billion) since June 2017.

### Government Initiatives

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

Initiative will be taken into consideration by Government of India.

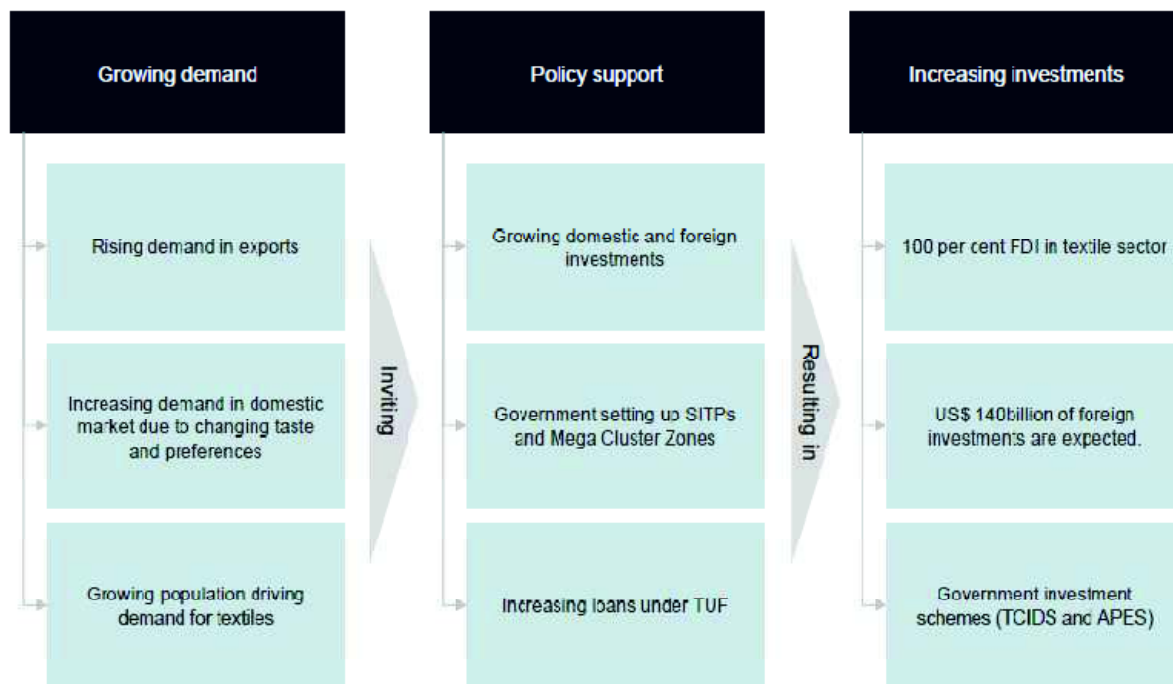
- The Union Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd (EESL), has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the powerloom sector of India.
- The Government has planned to connect as many as 5 crore (50 million) village women to charkha (spinning wheel) in next 5 years with a view to provide them employment and promote khadi and also, they inaugurated 60 khadi outlets which were renovated and re-launched during the completion of KVIC's 60th anniversary and a khadi outlet.
- The Textiles Ministry will organise 'Hastkala Sahyog Shivirs' in 421 handloom-handicrafts clusters across the country which will benefit over 1.2 lakh weavers and artisans.
- The Gujarat government's decision to extend its textile policy by a year is set. It is believed to attract Rs 5,000 crore (US\$ 50 billion) of more investment in sectors across the value chain. The government estimates addition till now of a million units of spindle capacity in the spinning sector and setting up of over 1,000 units in technical textiles.
- The Textile Ministry of India earmarked Rs 690 crore (US\$ 106.58 million) for setting up 21 ready made garment manufacturing units in seven states for development and modernisation of Indian Textile Sector.

<b>Textile Parks</b>	<ul style="list-style-type: none"> <li>▪ As of September 2017, the Government of Maharashtra is planning to set up nine textile parks in the northern cotton producing parts of the state, in an attempt to supplement farmers' income via value-added products.</li> <li>▪ As of October 2017, the foundation stone for Kakatiya Mega Textile Park, India's largest textile park, was laid in Warangal district of Telangana. The park will be spread across 2,000 acres and is expected to generate 22,000 direct and 44,000 indirect jobs. 14 companies have already planned to set up units in the textile park worth total investments of Rs 3,000 crore (US\$ 463.39 million).</li> </ul>
<b>Multi-Fibre Arrangement (MFA)</b>	<ul style="list-style-type: none"> <li>▪ With the expiry of MFA in January 2005, cotton prices in India are now fully integrated with international rates. In 2014, the government has cleared 13 proposal of new textile parks in different states.</li> </ul>
<b>Public-Private Partnership (PPP)</b>	<ul style="list-style-type: none"> <li>▪ The Ministry of Textiles commenced an initiative to establish institutes under the Public-Private Partnership (PPP) model to encourage private sector participation in the development of the industry</li> </ul>
<b>Expansion</b>	<ul style="list-style-type: none"> <li>▪ In January 2018, Grasim Industries received approval for the expansion of its VSF (Viscose Staple Fibre) plant in Bharuch, Gujarat with an investment of Rs 2,560 crore (US\$ 395.43 million).</li> </ul>
<b>Technical textiles</b>	<ul style="list-style-type: none"> <li>▪ Technical textiles, which has been growing at around twice the rate of textiles for clothing applications over the past few years, is now estimated to post a CAGR of 20 per cent over FY11-17</li> <li>▪ US\$ 70.83 million has been allocated to promote the use of geotechnical textiles in the North East states.</li> </ul>

*Note: TUFIS - Technology Upgradation Fund Scheme  
Source: Ministry of Textiles, Geotechnical*

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

- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent.
- The Government of India plans to introduce a mega package for the powerloom sector, which will include social welfare schemes, insurance cover, cluster development, and upgradation of obsolete looms, along with tax benefits and marketing support, which is expected to improve the status of power loom weavers in the country.
- The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFIS), launch of India Handloom Brand and integrated scheme for development of silk industry, for the strategic enhancement of Indian textiles quality to international standards.



Note: TCIDS - Textile Center Infrastructure Development Scheme, APES - Apparel Park for Exports Scheme  
 Note: Ministry of Textiles, Aranca Research

### Road Ahead

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

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The domestic market for apparel and lifestyle products, currently estimated at US\$ 85 billion, is expected to reach US\$ 160 billion by 2025.

The Indian cotton textile industry is expected to showcase a stable growth in FY2017-18, supported by stable input prices, healthy capacity utilisation and steady domestic demand\*.



## Opportunities:

Immense growth potential	Private sector participation in silk production	Proposed FDI in multi-brand retail
<ul style="list-style-type: none"> <li>The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand</li> <li>The sector is expected to reach US\$ 226 billion by FY2023</li> <li>Population is expected to reach to 1.24 billion by FY2019</li> <li>Urbanisation is expected to support higher growth due to change in fashion and trends</li> </ul>	<ul style="list-style-type: none"> <li>The Central Silk Board sets targets for raw silk production and encourages farmers and private players to grow silk</li> <li>To achieve these targets, alliances with the private sector, especially major agri-based industries in pre-cocoon and post-cocoon segments has been encouraged</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>It will also bring in greater investments along the entire value chain – from agricultural production to final manufactured goods</li> <li>With global retail brands assured of a domestic foothold, outsourcing will also rise significantly</li> </ul>

Union Budget 2018-19
<ul style="list-style-type: none"> <li>Under Union Budget 2018-19, Government of India allocated around Rs 7,146 crore (US\$ 1.1 billion) for the textile industry.</li> <li>Rs 2,300 crore (US\$ 355.27 million) have been allocated for the Technology Up-gradation Fund Scheme (TUFS).</li> <li>The allocator for Remission of State Levies (RUSL) is Rs 2,163.85 crore (US\$ 334.24 million), which is expected to be beneficial for exporters of made-ups and apparels, as backlog will be cleared and working capital will be released.</li> <li>The government has also proposed to contribute 12 per cent of the new employees' wages towards Employee Provident Fund (EPF) over the next three years, which is expected to boost hiring in the apparel segment and has also extended fixed-term employment to all sectors.</li> <li>The government has allocated Rs 117.15 crore (US\$ 17.37 million) inwards schemes for powerloom units.</li> <li>The government has allocated Rs 30 crore (US\$ 4.63 million) for the Scheme for Integrated Textile Parks, under which there are 47 ongoing projects.</li> <li>The handloom clusters under the National Handloom Development Programme will get Rs 396 crore (US\$ 91.17 million) and the Integrated Processing Development Scheme will get Rs 3.8 crore (US\$ 0.59 million).</li> </ul>

Retail sector offers growth potential	Centers of Excellence (CoE) for research and technical training	Foreign investments
<ul style="list-style-type: none"> <li>With consumption 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, Guava and Next having entered Indian market</li> <li>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</li> <li>India and Bangladesh plans to increase their cooperation in order to increase promote the investment and trade of jute and fabrics</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>The CoEs are aimed at creating testing and evaluation facilities as well as developing resource centres and training facilities</li> <li>Existing 4 CoEs, DITRA for Geotextiles, SITRA for Meditech, NITRA for Protect and F&amp;MERA for Agri-tech, would be upgraded in terms of development of incubation centre and support for development of prototypes</li> <li>Fund support would be provided for appointing experts to develop these facilities</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>FDI inflows in textiles sector, exclusive of spun and printed textile, stood at US\$ 2.68 billion from April 2000 to September 2017</li> <li>In April 2017, SankiBuyLove, an online fashion brand, has raised US\$ 1 million venture debt from Tiffeca Capital, to expand its team and strengthen the supply chain technology.</li> <li>India can become the one-stop sourcing destination for companies from Association of Southeast Asian Nations (ASEAN), as there exist several opportunities for textile manufacturing companies from 10-nation bloc to invest in India.</li> </ul>

Exchange Rate Used: INR 1 = US\$ 0.016 as of FY2018.

References: Ministry of Textiles, Indian Textile Journal, Department of Industrial Policy and Promotion, Press Information Bureau, Union Budget 2017-18

Note: CAGR - Compound Annual Growth Rate, E - Estimated, \* as of July 2017, 1 As of June 2017

Source: Technopak, Make in India, News articles, Ministry of Textiles, Aranca Research

Note: # - according to Damco, \* - according to India Ratings and Research

Disclaimer: This information has been collected through secondary research.

<https://www.ibef.org/industry/textiles.aspx>



## OUR BUSINESS

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in the section titled "Risk Factors", beginning on page no. 12 of this Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled 'Financial Statement as Re-Styled' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page no. 131 and 181 respectively, of this Prospectus.*

*Unless the context otherwise requires, in relation to business operations, in this section of this Prospectus, all references to "we", "us", "our" and "our Company" are to IRIS Clothings Limited and Group Entities as the case may be.*

### Overview

Our Company is engaged in the Manufacturing, Designing, Branding and Selling of Kids Wear under the brand name DoReMe® in India. DoReMe® caters to the Kids Wear category mostly juniors including various kinds of apparels and related products for all Infants, Boys and Girls. We have been able to establish our brand Do Re Me® as a mid-market, comfortable and high quality junior Kids Wear brand. Our Company makes different kinds of products like Tops, T-shirts, Pants, Shorts, Frock, Dresses, and Towels among others catering to Kids Wear category. Our Company continuously strives to add new product lines and innovate with Designs to be able to appeal to the changing consumer demands. Our Company believes its key strength lies in the Product Designing and Manufacturing Excellence in both cost and quality.

**Our Background:** Our Promoters started the business as a proprietary firm named Iris Clothings in the year 2004 doing contract manufacturing for other brands. It did not take long for the promoters to gauge the business potential for an own brand and thereby launched DoReMe® within one year of start of business. DoReMe® started its sales in 2005 through distributor-retailer network based out of Mumbai. Given the strong product quality, DoReMe® gained popularity from word-of-mouth publicity and our Company added more distributors and retailers through them in the market of Mumbai. From there-on our Company has grown in its distribution as well as manufacturing capabilities over the years. On April 01, 2012, Iris Clothings was acquired by Our Company, through Sale Agreement wherein our Company acquired assets and liabilities of Iris Clothings and all the manufacturing operations and trading activities was consolidated in our Company.

As on date our Company has an active distribution network of 60+ distributors across cities / states with reach to more than 4,000+ retailers. Our Company has always believed in offering high quality products at affordable value and the same has helped the brand to develop a strong pull from the end customers and trade partners. The Company generates its revenue from supply of its finished products to the distributors. The Company does not have its own sales outlet.

**Our Products:** Our Company deals mostly with all kinds of casual wears for kids in cotton fabrics. Our Company purchases dyed fabric sheets, accessories, embellishments, extra trimming materials and processes them into finished garments. Currently, the Company is not present in embroidery, fancy or other kind of Kids Wear products and proposes to add them in future commensurating with corresponding expansion in infrastructure and capability to maintain high quality standard. We currently focus our manufacturing mostly on comfort wear for indoor and outdoor purpose. Currently, the company has more than 700 Stock Keeping Units (SKUs) and the range keeps expanding with newer product, designs, styles, and colour shades among other reasons. Our Company has very limited number of slow moving SKUs given the sales process is mostly pull driven. This helps in early identification and correction of slow moving SKUs.

**Sales Channel:** Our brand DoReMe® has good presence in 23 states across India with Maharashtra, Gujarat and NCR being the key markets. In Maharashtra; Mumbai, Pune and Nagpur are the cities with good presence of our products. Similarly in Gujarat, our products are predominantly available in cities like Ahmedabad, Rajkot, Baroda and Surat. We are currently in the process of expanding our reach further in few markets of Rajasthan and Southern Indian. Our Company sells its products mostly through distributor's network and around 10% of sales directly through online e-commerce channels like FirstCry, Hopscotch. Our Company has witnessed very good brand recall and growth through online channels and believes online could be an important channel for future growth. Our Company works on a No Sale Return policy with its distributor with a typical credit period of 1-2 months depending upon the credit history and the agreed terms. Our Company keeps participating in various industry exhibitions and tradeshow to build visibility among the trade partners.

Our Company's total revenues, as restated for the three months period ended June 30, 2018, for the year ended March 31, 2018; March 31, 2017 and March 31, 2016 were Rs. 14,84,70,115, Rs. 53,10,12,882; Rs. 46,89,14,597 and Rs. 36,99,20,555 respectively. Our Company's restated net profit after tax for the three month period ended June 30, 2018, for the year ended March 31, 2018, March 31, 2017 and March 31, 2016 were Rs. 1,17,08,159, Rs. 3,37,90,401; Rs.1,59,73,973 and Rs. 64,61,523 respectively.

#### **Our Location**

A detail of our locations is as follows:

<b>Registered Office</b>	103/24/1, Foreshore Road Shibpur, Howrah- 711102
<b>Factory locations:</b>	<ul style="list-style-type: none"> <li>i) Belvedere Mill Complex, South Sankrail, Howrah, West Bengal (Designing, Cutting and Printing unit).</li> <li>ii) M J Industrial Park, Satghoria, Panchla, Howrah West Bengal (Stitching, Mending and Finishing Unit).</li> <li>iii) 44, Foreshore Road, Howrah, West Bengal (Processing, Finishing and Dispatch Unit).</li> <li>iv) 103/24/1, Foreshore Road, Howrah, West Bengal (Processing, Storage and Dispatch Unit).</li> </ul>

#### **COMPETITIVE STRENGTH**

We believe the following are our competitive strength:

##### ***Widespread Distribution Network***

We generally sell our products through a network of distributors and dealers/traders located at different locations of the country. At present we have distribution network of around 60+ distributors spread across various states. Our widespread distribution network provides us wide geographical presence in terms of coverage of different states of the country. We believe that our distribution network leverages our marketing and reduces our concentration customer wise and state wise.

##### ***Customer Satisfaction***

We continuously strive to serve our customers according to their needs and requirements with a customized approach. Besides customized approach, our company continuously takes steps to ensure timely delivery alongwith consistency in the quality of the manufactured products. Such consistency in quality has yielded results in the form of repeat orders from our customers. The repeat orders reflect the confidence reposed in us by our customers.

##### ***Quality Assurance***

We believe in quality manufacturing and aim to deliver qualitative products to the satisfaction of customers. As a result of this we adopt quality check to ensure the adherence to desired specifications, quality and colors. Since, our Company is dedicated towards quality products, processes and inputs; we get regular orders from our customers, as we are capable of meeting their quality standards.

##### ***Existing relationship with suppliers***

We have to acquire fabric and accessories from two of our suppliers and have worked with them for a long time. We believe that our strong relationships with suppliers will enable us to continue to grow our business. Due to our relationships with our suppliers, we get quality and timely supplies of fabric and accessories. This enables us to manage our inventories and supply quality products on timely basis to our customers. This in turn has enabled us to generate repeat business.

##### ***Experienced Management***

Our Promoters Mr.Santosh Ladha and Mrs. Geeta Ladha have industry experience of almost more than 15 years. Our promoters are supported by a dedicated management team with several years of experience in their respective domains of sales, marketing, strategy and finance. We believe our senior management team leverages our market position and

their collective experience and knowledge in the industry, to execute our business strategies and drive our future growth. In addition, we believe the strength and entrepreneurial vision of our promoters and senior management has been instrumental in driving our growth and implementing our strategies.

## **BUSINESS STRATEGY**

### ***Expanding our Clientele Network by Geographic expansion:***

We believe that our growth in other states in the country can fetch us new business expansion and opportunities. Going forward we intend to establish our presence in few locations in the country. Our emphasis is on scaling of our operations in other markets shall provide us with attractive opportunities to grow our client base and revenues.

### ***Reduction of operational costs and achieving efficiency:***

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

### ***Focus on cordial relationship:***

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

### ***To Increase brand visibility***

The market for our products is highly competitive on account of both the organized and unorganized players. Our Market goodwill is significantly dependent on brand recall and our ability to compete effectively would significantly depend on our ability to promote and develop our brand. We propose to increase the number of channel partners/dealers in order to broaden our reach. We believe greater visibility of our brand would ensure brand retention in the minds of the customers and would in effect further enhance our reach widely.

### ***Enhancing our trading and manufacturing capacities***

We are focused on establishing and increasing our trading facilities as this allows us to exercise due control over both the costs of the products and we can more concentrate on the quality of the apparel to manufacture and venture into the denim segment through our subsidiary. Under the current expansion plan, we propose to increase our capacities. We believe that an increase in our capacity will also help us to enhance economies of scale, and this would eventually translate to an improvement in the price competitiveness of our apparels.

## **OUR MANUFACTURING FACILITIES:**

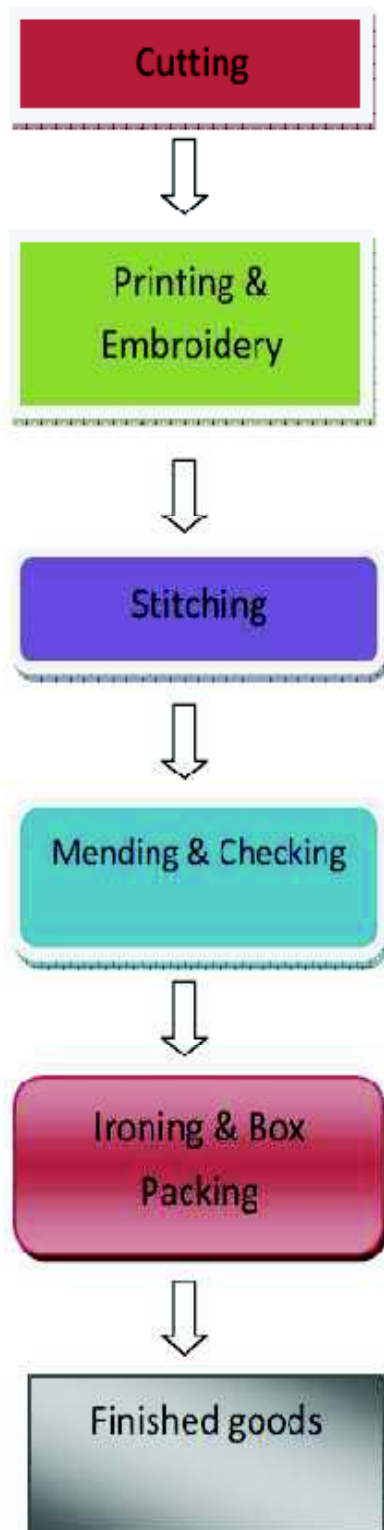
We currently operate out of four key manufacturing site based out of Howrah in West Bengal. The entire process of garment manufacturing is completed in-house including design development, cutting, printing, stitching, finishing, quality control and packaging. Currently our installed capacity is of 30,000 pieces per day. Our Factory located at Belvedere Mill Complex, South Sankrail, Howrah has Designing, completely automated cutting and printing unit. Factory at M J Industrial Park, Satghoria, Panchla, Howrah is dedicated to stitching. The factory at M J Industrial Park, Satghoria, Panchla, Howrah is run by women staff and workers to drive better quality and stability of work flow.

Our Company was among the early entrant in eastern India to install fully automatic cutting machines. Fully automatic cutting machines reduce lead time although increase the waste to some extent. However, given so many different pieces and sizes are required for Kids Wear, our Company believes that being early adaptors has significantly helped the operations. With exhaustive usage of rotary printing machines our Company has been able to improve the print quality and durability substantially. The endeavor and success in reducing per print cost has given significant cost advantage to the Company.

## **MANUFACTURING PROCESS**

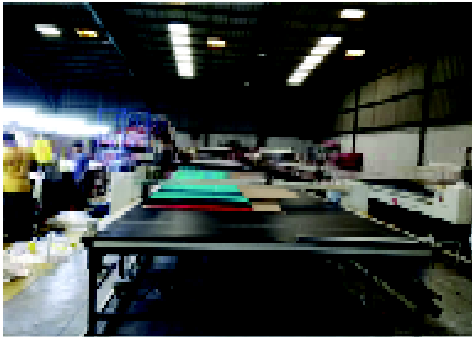
- Conceptualization of Design and Development
- Raw Material Purchase and check
- Pattern Development, Size, Set Making and Pro-forma cuts
- Spreading and Automatic Cutting
- Rotary Printing
- Sewing and Accessory Finishing
- Inspection, Packing and Dispatch

**OUR MANUFACTURING PROCESS FLOW CHART**





The initial step is to design the clothes which is done by the designing team after which the designs are prepared in the form of blue prints and patterns.



Once the Designs are finalized, the clothes are then cut in lots based on the patterns.



Once cutting is done the imprints are made on the clothes



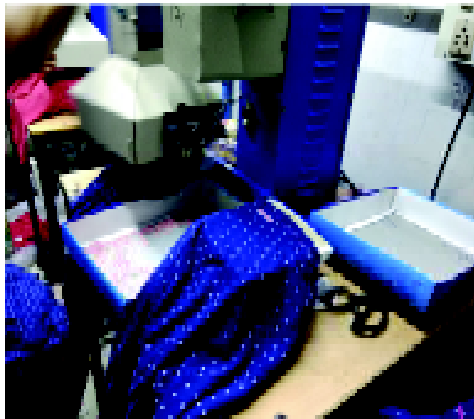
This is another form of imprint which is done manually



After the printing is done the clothes are then made to dry



The clothes are then stitched together to give the shape as the original design



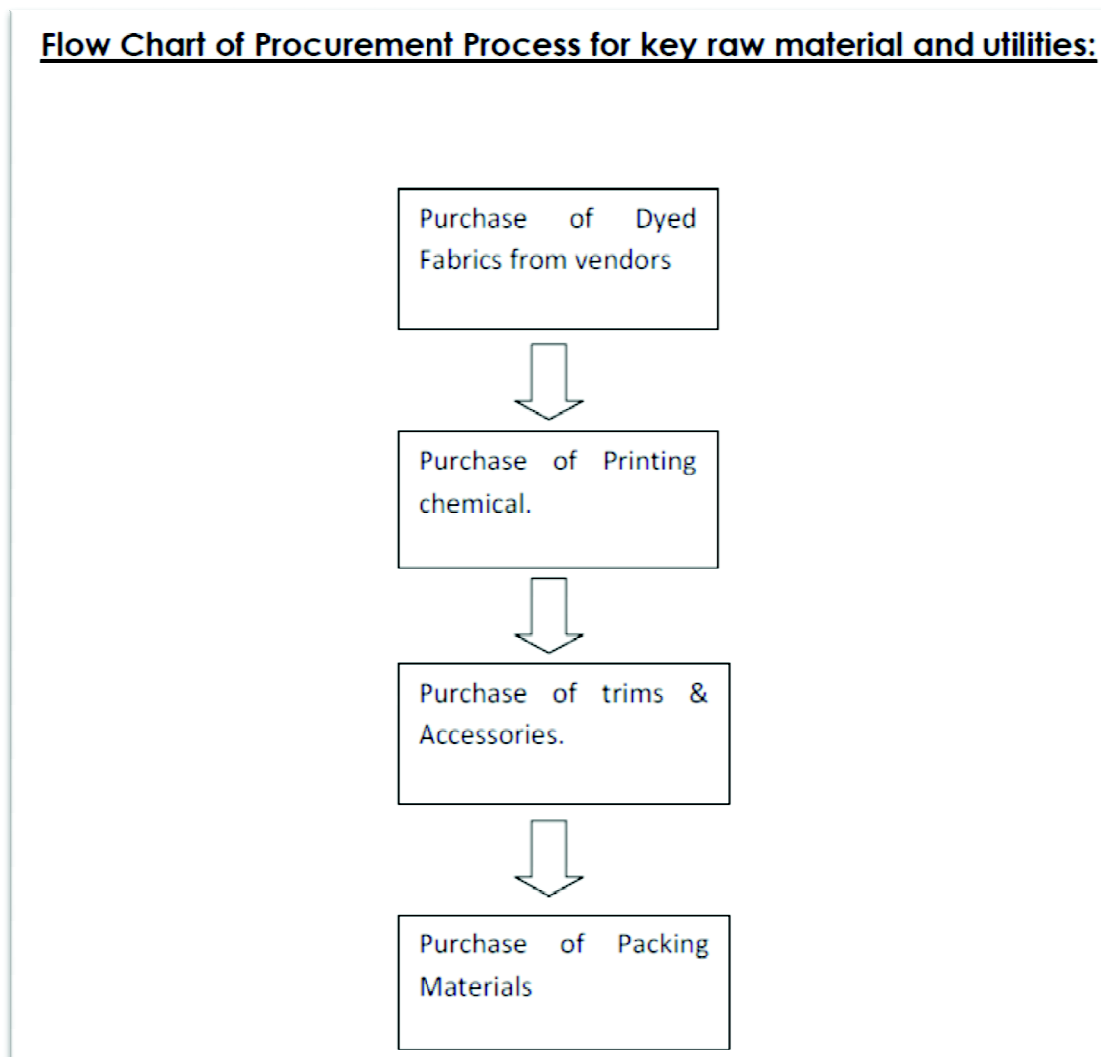
Once the clothes are stitched, the brand is imprinted on the clothes



After the clothes are ready they are then ironed to be ready for packing



### Flow Chart of Procurement Process for key raw material and utilities:



#### RAW MATERIALS

Our Company procures raw material from vendors mostly situated near our manufacturing facility.

- **Fabric:** We mostly use cotton and lycra fabric in our products. These are procured from domestic suppliers.
- **Accessories and packing material:** The main accessories required in our products are elastics, hooks, eye, rings, ribbons, sliders and bows, laces. These too are procured from domestic suppliers.

Our business process flow commences with the conceptualization of the trends, range, choice of fabric, color, designing pattern, look of the product and other details. This exercise is carried out some period before the actual season commences. Considering the latest fashion trends the samples are prepared. Once the samples are approved by the designing team products for a particular season in terms of its quantities, prices, designs and other parameters is finalized.

**Identification of current market trend:**

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

**Designs the Sketch:**

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

**Sourcing the material:**

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

**Tapping the retailers:**

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

**COLLABORATIONS**

We have not entered into any technical or other collaboration.

## OUR PRODUCTS



## E COMMERCE AGREEMENTS/FRANCHISEE AGREEMENTS

As on date we do not have any franchisee. Our Company have entered in to an agreements on 29.12.2016 with M/s. Brainbees Solutions Pvt Ltd, owner of online portal Firstcry.com for e-retailing our products.

## UTILITIES

**Water:** Water requirement for the manufacturing and allied processes is minimal and the same is procured locally by way of existing water supply network.

**Manpower:** We believe that our employees are key contributors to the success of our business. To achieve this, we focus on attracting and retaining the best possible talent. We endeavor to achieve and maintain a high standard of Ethics, professional conduct and work performance to ensure our Company maintains its reputation with all internal and external stakeholders. We have more than 600 employees as on date of the filing of Prospectus.

The Break-up of the employees as on 31.07.2018 in the Company is given below:

Particulars	Number of employees
Management and Administration	5
Accounts, Finance & IT	7
Human Resources:	
<b>a. Production</b>	
- Skilled Laborers	12
- Semi Skilled Laborers	426
- Unskilled Laborers	260
- Casual Laborers	0
<b>b. Sales &amp; Distribution</b>	12
Total	722

### **MARKETING AND SELLING STRATEGY**

The marketing strategy of our Company is the combination of direct and indirect marketing, using the distribution network and sales force. We support our marketing efforts with the activities at the grass root level through field work by maintaining regular contacts and meetings. We also participate regularly in exhibition and fairs being conducted at various levels.

To ensure that merchandise flows directly to the outlets in a timely and cost efficient manner, we distribute the work among the team with detailed plan. This includes inventory management, warehouse management and supply chain management.

The periodic reporting at corporate office and co-ordination with other divisions is maintained to ensure smooth and uninterrupted distribution flows. Further, our custom designed computer application permits better control of inventory thereby lowering inventory holding costs.

### **COMPETITION**


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


According to the current scenario, apparel manufacturing and retail industry is highly competitive and fragmented. We mainly deal in kids wear. In this segment, we face competition from organized sector and unorganized sector. Primarily we face competition from local manufactures, which may, for a variety of reasons such as easier access and personal relationships with the customers, be able to cater to local demands better than us. We believe that the prime competitive factors which affect our segment includes brand name, brand identity, timeliness, reliability, quality of products, price and our ability to anticipate consumer demands and maintain appeal of products to customers.

### **INTELLECTUAL PROPERTY**

#### **Trademark**


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

Sr. No.	Particulars of the Mark	Word/Label Mark	Applicant Owner	Date of Application/Year of Approval	Application No./Trademark No.	Current Status
1.		Label	Iris Clothings Limited	11/08/2006	1478055	Registered

Sr. No.	Particulars of the Mark	Word/Label Mark	Applicant Owner	Date of Application/Year of Approval	Application No./ Trademark No.	Current Status
2.		Label	Iris Clothings Limited	06/10/2008	1740371	Registered
3.		Wordmark	Iris Clothings Limited	20/05/2015	2968415	Accepted & Advertised
4.		Wordmark	Iris Clothings Limited	19/02/2018	3757842	Objected
5.		Wordmark	Iris Clothings Limited	09/08/2018	3912245	Accepted

\*initially approved in the name of M/s. IRIS Clothings

#### Copyright

Sr. No	Description	Copyright	Registration No	Status
1.	Application for Registration of Copyright under the Copyright Act, 1957 vide CC no. 79352		Pending	Pending

#### LAND & PROPERTIES

The following table sets for the properties owned by us:

Sr. no.	Description of land / property	Year of Purchase	Use
1	Land situated at M J Inudustrial Park, Satghoria, Panchla, Howrah - 711322	2016	Factory – (Stitching, Mending and Finishing Unit)

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

Sl. No.	Location of the Property	Date of Agreement	Licensor	Rent/ License Fee (in Rs.) per month	Lease/License period	
					From	To
1	Belvedere Mill Complex, South Sankrail, Howrah - 711313	1/10/2015	Bengal Investments Limited	Rs. 2,75,000 per month	1/10/2015	30/09/2018
2.	44, Foreshore Road, Howrah – 711 102	Refer Note Below*		Rs. 9/- per sq. ft per Month	Refer Note Below*	
3.	103/24/1, Foreshore Road, Howrah – 711 102			Rs. 9/- per sq. ft per Month		

#### Note\*

The said premise originally belongs to Kolkata Port Trust (“KPT”). Our Company had taken the premises on rent from Ashamangal Portfolio Private Limited. KPT had filed a case against Ashamangal Portfolio Pvt Ltd at Hon’ble Hight Court of Calcutta and the Court

had vide its order dated 15.11.2016 directed all occupants to pay their respective rents directly to KPT. In adherence with the said Order, our Company have been regular in depositing all rents directly to KPT and have filed an application dated 16.11.2016 with the Land Officer of Kolkata Port Trust to lease out the said premises in favor of the Company. Currently the said application is pending at the concerned department of KPT.

#### EXPORT OBLIGATION

Our Company under Export Promotion Capital Goods (EPCG) scheme has imported machinery for manufacturing at a concessional duty of 3% and as on the date of this prospectus, our Company has an outstanding export obligation of US\$ 557,905.09.

#### INSURANCE

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

Sr. No	Policy No.	Name of the Issuer	Description of the Assets Insured / Risk covered	Address of the Properties where the insured assets are situated	Sum Assured (Rs. In Lakh)	Date of Expiry
1	0305001118P100556431	United India Insurance Co. Ltd.	Garments Makers, Topee,hats and the like Makers	44, Foreshore Road, Howrah – 711 102	1083.99 Lakhs	08.04.2019
2	0305001218P100556916	United India Insurance Co. Ltd.	Office Equipments, Embroidery, Cutting,Weight Machine, Finished Goods, Computer Printer, Furniture Etc.	103/24/1, Foreshore Road, Howrah – 711 102, 44 Foreshore Road, Howrah – 711 102	1083.99 Lakhs	08.04.2019
3	0305001118P100535568	United India Insurance Co. Ltd.	On Stock Of Raw Material, Readymade Garments including Packing Material, Stock In Process & Finished Goods.	103/24/1, Foreshore Road, Howrah – 711 102, 44 Foreshore Road, Howrah – 711 102	300.00 Lakhs	08.04.2019
4	0305001218P100535456	United India Insurance Co. Ltd.	On Stock of Raw Material, Readymade Garments Including Packing	Goods with Job Workers	300.00 Lakhs	08.04.2019
5	0305001218P100692586	United India Insurance Co. Ltd.	Bar Tag, Fusing, W.I.P.,Tools & Spares, Finished Goods, Packing Material,Acessories, Button Fixing, Wrapping, Furnitures Etc.	103/24/1, Foreshore Road, Howrah – 711 102, 44 Foreshore Road, Howrah – 711 102	1083.99 lakhs	07.02.2019
6	0305001218P100692954	United India Insurance Co. Ltd.	On Stock of Raw Material-Knitted Hosiery Fabric	Belvedere Mill Complex, South Sankrail, Howrah - 711313	350.00 Lakhs	07.02.2019
7	0305001218P100752684	United India Insurance Co. Ltd.	Garments Makers, Topee,hats and the like Makers	M J Industrial Park, Satghoria, Panchla, Howrah - 711322	1002.81 Lakhs	19.09.2018

## KEY REGULATIONS AND POLICIES

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

### KEY INDUSTRY-SPECIFIC REGULATIONS

Our Company is engaged in the business of Manufacturing, Designing, Branding and Selling of Kids Wear under the brand name DoReMe© in India.

### INDUSTRY SPECIFIC REGULATIONS

#### **National Textile Policy 2000 (NTxP -- 2000) (the "NT Policy")**

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

#### **Textile (Development and Regulation) Order, 2001 (the "Textile Order")**

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

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

#### **Textile Committee Act, 1963 (the "Textile Committee Act") read with Textiles Committee (Cess) Rules, 1975 (the "Textile Committee Rules")**

The Textile Committee Act provides for the establishment of a Committee to be known as the Textiles Committee. The functions of the committee are to ensure by such measures, as it thinks fit, standard qualities of textiles both for internal marketing and export purposes and the manufacture and use of standard type of textile machinery. The committee may undertake, assist and encourage, scientific, technological and economic research in textile industry and textile machinery; promote export of textiles and textile machinery; establish or adopt or recognize standard specifications for textiles and packing materials used in the packing of textiles or textile machinery, export and for internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials. As per Section 5A of the Textile Committee Act, there shall be levied and collected a cess a duty of excise on all textiles and on all textile's machinery manufactured in India. The Textile Committee Rules provides that every manufacturer shall furnish to the Textile Committee in duplicate, a return in Form A or in Form B, as the case may be, for each month duly signed by him or any other person authorized by him in this behalf. Also, any amount of cess paid in excess of the cess payable shall, on an application made by the manufacturer to the Textile Committee within a period of one year from the date of such payment, be refunded to him.

### **Amended Technology Upgradation Fund Scheme (ATUFS)**

Amended Technology Upgradation Fund Scheme (ATUFS) provides for promotion of ease of doing business in the country and achieve the vision of generating employment and promoting exports through “Make in India” with “Zero effect and Zero defect” in manufacturing by providing capital linked Capital Investment Subsidy (CIS) under ATUFS. The ATUFS also facilitates augmenting of investment, productivity, quality, employment exports along with import substitution in the textile industry.

### **LABOUR LAWS**

#### **Industries (Development and Regulations) Act, 1951**

In order to provide the Central Government with the means to implement its industrial policies, several legislations have been enacted and amended in response to the changing environment. Out of these several legislations, one of the most important is the Industries (Development and Regulation) Act, 1951 (IDRA) which was enacted in pursuance of the Industrial Policy Resolution, 1948. The Act was formulated for the purpose of development and regulation of industries in India by the Central Government.

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

The Factories Act, 1948 (“the Factories Act”) seeks to regulate labour employed in factories and makes provisions for safety, health and welfare of the workers. The Factories Act defines a ‘factory’ to cover any premises, which employs ten or more workers and in which manufacturing processes are carried on with the aid of power, and to cover any premises, where there are at least 20(twenty) workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has set out rules in respect of the prior submission of plans and its approval for the establishment of factories and registration and licensing of factories. The Factories Act also provides for the mechanisms for safety of certain equipment used in factories, procedures for periodic examination of equipment such as pressure vessels and lifting tackles, regulation of working conditions within the factories and includes specific provisions applicable to women and children employed in factories.

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

The Employees State Insurance Act, 1948 (ESI Act) provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

#### **Employees Provident Fund and Miscellaneous Provisions Act, 1952**

Under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

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

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 (five) years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of ‘five year continuous service is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 (fifteen) days wages for



every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity payout of Rs. 10,00,000/- for an employee.

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

The Minimum Wages Act, 1948 (MWA Act) was enacted to establish minimum wages for certain categories of employees. Under this Act, the Central and the State Governments stipulate the scheduled industries and establishments and fix minimum wages.

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

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where 20 (twenty) or more persons are employed on any day during an accounting year, who has worked for at least 30 (thirty) working days in a year, is eligible to be paid a bonus. Contravention of the provisions of the Payment of Bonus Act, 1965 by a company is punishable with imprisonment upto 6 (six) months or a fine up to Rs. 1,000/- (Rupees one thousand only) or both.

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

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or medical termination of pregnancy. It inter alia provides for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women.

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

The Payment of Wages Act, 1936 (PWA) is applicable to the payment of wages to persons in factories and other establishments. PWA ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

#### **Employees Compensation Act, 1923**

The Employee's Compensation Act, 1923 has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The Act makes every employer liable to pay compensation in accordance with the Act if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by an accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the Act within one month from the date it falls due, the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

#### **Equal Remuneration Act, 1979**

Equal Remuneration Act, 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

#### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act") provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer

himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/-(Rupees fifty thousand only).

#### **Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926 Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

#### **Child Labour (Prohibition and Regulation) Act, 1986**

The Child Labour (Prohibition and Regulation) Act, 1986 (the CLPR Act) seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. It also prescribes hours and periods of work, holidays, the requirement of keeping a register, etc for the establishments falling under this act. A shop or a commercial establishment is included under the definition of an establishment according to Section 2(iv) of the CLPR Act.

#### **Industrial Dispute Act, 1947 and Industrial Dispute (Central) Rules, 1957**

Industrial Dispute Act, 1947 and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The Industrial Disputes Act, 1947 (IDA) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the IDA have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The IDA also sets out certain requirements in relation to the termination of the services of the workman. The IDA includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations upon retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment. Industrial Dispute (Punjab) Rules, 1958 are applicable to the Company.

#### **Industrial Employment (Standing Orders) Act, 1946**

The Industrial Employment (Standing Orders) Act applies to all establishments wherein 100 or more employees are employed. Under the Standing Orders Act, employers are required to define with sufficient precision the conditions of employment under them and make the conditions known to the employees employed by them. The Standing Orders Act provides that, employers are required to either adopt the model standing orders or to adopt their own certified standing orders. Standing orders, inter alia, provides for classification of employees, attendance, late coming, termination of employment, and the notice to be given, suspension or dismissal for misconduct etc.

#### **Motor Vehicles Act, 1988 and Central Motor Vehicles Rules, 1989**

The purpose of Motor Vehicles Act, 1988 is to regulate the activities associated with the driving licenses, vehicle registration, vehicles safety etc. The Central Motor Vehicle Rules, 1989 framed under the above Act also prescribe various road safety measures. The Motor Vehicles Act, 1988 and the Central Motor Vehicle Rules, 1989 (Chapter- II) prescribes stringent procedure for grant of Driving Licenses. Changes in the said Act and related rules have a bearing on the business of the Company.

#### **The Specific Relief Act, 1963 (“Specific Relief Act”)**

The Specific Relief Act is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Specific Relief Act applies both to movable property and immovable property. The Specific Relief Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. ‘Specific performance’ means Court will order

the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

#### **LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED**

##### **West Bengal Factories Act, 1948**

The West Bengal Factories Act, 1948 regulates the factories which are established in West Bengal. It applies where minimum workmen engaged are 10 heads or more and running electric power of 20 heads without power. It is mandatory to apply for registration with Factory Plan for approval to the Inspector of Factory.

##### **West Bengal Contract Labour (Regulation and Abolition) Central Rules, 1971**

West Bengal Contract Labour (Regulation and Abolition) Central Rules, 1971 (the "Contract Labour Rules") is applicable to every establishment in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour and to every contractor who employs or who employed on any day of the preceding twelve months twenty or more workmen.

##### **West Bengal Fire Prevention & Life Safety Measure Act, 1950**

The West Bengal Fire Prevention & Life Safety Measure Act, 1950 provide for more effective provisions for the fire prevention and life safety measures in various types of buildings in different areas in the State of West Bengal. The Act and the Rules provide that the owner or occupier shall provide for minimum fire fighting installations as specified, fire prevention and life safety measures. Further, the owner or the occupier, as the case may be, shall maintain the fire prevention and life safety measures in good repair and efficient condition at all times, in accordance with the provisions of the Act or the Rules.

#### **LAWS RELATED TO ENVIRONMENTAL LAWS**

##### **National Environmental Policy, 2006**

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

##### **Environment (Protection) Act, 1986 as amended ("EPA")**

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

##### **Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 as amended ("Hazardous Wastes Rules")**

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

##### **Noise Pollution (Regulation & Control) Rules 2000 ("Noise Regulation Rules")**

Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign

regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the Provisions of the Environment (Protection) Act, 1986.

#### **Water (Prevention and Control of Pollution) Act, 1974**

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

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

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

### **TAX RELATED LEGISLATIONS**

#### **General Laws: -**

##### **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 vide its notification dated September 12, 2013 has notified 98 sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. Further 183 sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. 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.

##### **Competition Act, 2002 ("Competition Act")**

The Competition Act 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 Indian Contract Act, 1872**

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

##### **The Negotiable Instruments Act, 1881(NI Act)**

In India, the laws governing monetary instruments such as cheques are contained in the NI Act, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any

stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid.

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

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional. According to the provisions of this Act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The Act further provides that the contract may provide for the immediate delivery of the goods or immediate payment of the price or both or for the delivery or payment by instalments or that the delivery or payment or both shall be postponed. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to courier, duties of seller and buyer, buyer's right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc.

#### **The Information Technology (Amendment) Act, 2008 (IT Act)**

The Information Technology Act, 2000 (also known as ITA-2000, or the IT Act) is an Act of the Indian Parliament (No 21 of 2000) notified on 17 October 2000. It is the primary law in India dealing with cybercrime and electronic commerce. The Act provides legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as "electronic commerce", which involve the use of alternatives to paper-based methods of communication and storage of information, to facilitate electronic filing of documents with the Government agencies and further to amend the Indian Penal Code, the Indian Evidence Act, 1872, the Bankers' Books Evidence Act, 1891 and the Reserve Bank of India Act, 1934 and for matters connected therewith or incidental thereto. A major amendment was made in 2008 introducing Sections 66A and 69 giving wide powers to the government authorities.

#### **The Consumer Protection Act, 1986 (COPRA)**

COPRA aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels.

#### **Laws relating to employment: -**

#### **Contract Labour (Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)**

CLRA prevents exploitation of contract labour and also to introduce better conditions of work. A workman is deemed to be employed as Contract Labour when he is hired in connection with the work of an establishment by or through a Contractor. CLRA applies to the Principal Employer of an Establishment and the Contractor where in 20 or more workmen are employed or were employed even for one day during preceding 12 months as Contract Labour. CLRA does not apply to the Establishments where work performed is of intermittent or seasonal nature. If a Principal Employer or the Contractor falls within the vicinity of this Act then, such Principal Employer and the Contractor have to apply for Registration of the Establishment and License respectively.

#### **The Payment of Bonus Act, 1965 (POB Act)**

The POB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

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

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

### **The Workmen Compensation Act, 1923 (WCA)**

The WCA has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### **The Employees State Insurance Act, 1948 (ESI Act)**

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

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

The Payment of Gratuity Act, 1972 was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years:

- On his/her superannuation; or
- On his/her retirement or resignation; or
- On his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply).

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

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or medical termination of pregnancy. It inter alia provides for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women.

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

The Constitution of India provides for equal pay for equal work for both men and women. To give effect to this provision, the Equal Remuneration Act, 1976 was implemented. The Act provides for payment of equal wages for equal work of equal nature to male or female workers and for not making discrimination against female employees in the matters of transfers, training and promotion etc.

### **Taxation Laws: -**

The following is an indicative list of tax related laws that are applicable to our Company:

#### **Central:**

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

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

### **Research and Development Cess Act, 1986**

All payments made towards the import of technology are subject to a tax of 5% under the Act. Technology includes any special or technical knowledge or any special service required for any purpose whatsoever by an industrial concern under any foreign collaboration, and includes designs, drawings, publications and technical personnel.

### **The Central Goods and Service Tax Act, 2017**

Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2016, following the passage of Constitution 101st Amendment Bill. The GST is governed by GST Council and its Chairman is Union Finance Minister of India - Arun Jaitley.

This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services as part of their normal commercial activity. Administrative responsibility would generally rest with a single authority to levy tax on goods and services.<sup>[1]</sup> Exports would be considered as zero-rated supply and imports would be levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which will not be subsumed in the GST.

Introduction of Goods and Services Tax (GST) is a significant step in the reform of indirect taxation in India. Amalgamating several Central and State taxes into a single tax<sup>[2]</sup> would mitigate cascading or double taxation, facilitating a common national market. The simplicity of the tax should lead to easier administration and enforcement. From the consumer point of view, the biggest advantage would be in terms of a reduction in the overall tax burden on goods, which is currently estimated at 25%-30%, free movement of goods from one state to another without stopping at state borders for hours for payment of state tax or entry tax and reduction in paperwork to a large extent.

### **State:**

#### **Indian Stamp Act, 1899, as applicable to West Bengal (the Bengal Amendment Act, 1935);**

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state.

Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all. Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

#### **West Bengal Shops and Establishments Act, 1963 ("The West Bengal Shops Act");**

The West Bengal Shops and Establishments Act, 1963 has been enacted primarily with the object of regulating holidays, hours of the work, payment of wages and leave of persons that are employed in shops and establishments. This Act seeks to impose certain obligations upon the owner of a shop or an establishment to protect the workers employed and to secure for them employment in conditions conducive to their welfare of the persons employed in shops and establishments in Calcutta and other notified areas of West Bengal. The Act also makes provisions regarding employment of women and young, annual leave with wages, overtime, specific working hours, prescribed opening and closing hours of the Shops & Establishments. The Act is applicable to the whole of West Bengal and covers all the areas and the classes of shops and establishments in Calcutta.

#### **West Bengal State Tax on Professions, Trades, Callings and Employments Acts, 1979;**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to



such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

#### **Laws relating to Intellectual Property: -**

##### **The Trademarks Act, 1999 (“Trademarks Act”)**

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“the Registrar”), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favouring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner.

##### **Indian Copyright Act, 1957 (Copyright Act)**

The Copyright Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization. While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner.

Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner.

##### **The Patents Act, 1970 (Patent Act)**

The purpose of the Patent Act in India is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent. An application for a patent can be made by (a) person claiming to be the true and first inventor of the invention; (b) person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application.

##### **The Designs Act, 2000 (Designs Act)**

The objective of Designs Act it to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.



### **Approvals from Local Authorities**

Setting up of a factory or manufacturing entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

### ***Other Applicable Acts***

#### **Micro, Small and Medium Enterprises Development Act, 2006**

The Micro, Small and Medium Enterprises Development Act, 2006 as amended from time to time ('MSMED Act') seeks to facilitate the development of micro, small and medium enterprises. The MSMED Act provides that where an enterprise is engaged in the manufacturing and production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951, the classification of an enterprise will be as follows: a) where the investment in plant and machinery does not exceed twenty-five lakh rupees shall be regarded as a micro enterprise; b) where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees shall be regarded as a small enterprise; where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees shall be regarded as a medium enterprise.

The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority. While it is compulsory for medium enterprises engaged in manufacturing to submit the memorandum, the submission of the memorandum by micro and small enterprises engaged in manufacturing is optional. The MSMED Act defines a supplier to mean a micro or small enterprise that has filed a memorandum with the concerned authorities. The MSMED Act ensures that the buyer of goods makes payment for the goods supplied to him immediately or before the date agreed upon between the buyer and supplier. The MSMED Act provides that the agreed period cannot exceed forty five days from the day of acceptance of goods. The MSMED Act also stipulates that in case the buyer fails to make payment to the supplier within the agreed period, then the buyer will be liable to pay compound interest at three times of the bank rate notified by the Reserve Bank of India from the date immediately following the date agreed upon. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council ('Council'). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

## OUR HISTORY AND CERTAIN CORPORATE MATTERS

### History and Background

Our Company is engaged in the Manufacturing, Designing, Branding and Selling of Kids Wear under the brand name DoReMe<sup>®</sup> in India. DoReMe<sup>®</sup> caters to the Kids Wear category mostly juniors including various kinds of apparels and related products for all Infants, Boys and Girls. We have been able to establish our brand Do Re Me<sup>®</sup> as a mid-market, comfortable and high quality junior Kids Wear brand. Our Company makes different kinds of products like Tops, T-shirts, Pants, Shorts, Frock, Dresses, and Towels among others catering to Kids Wear category. Our Company continuously strives to add new product lines and innovate with Designs to be able to appeal to the changing consumer demands. Our Company believes its key strength lies in the Product Designing and Manufacturing Excellence in both cost and quality.

Our Company started the business as a Proprietorship Firm in 2004 in the form of a contract manufacturer for other brands. It did not take long for the founders to gauge the business potential for an own brand and thereby launched Do Re Me<sup>®</sup> within one year of start of business. Do Re Me<sup>®</sup> started its sales in 2005 through distributor-retailer network based out of Mumbai. Given the strong product quality, Do Re Me<sup>®</sup> gained popularity from word-of-mouth publicity and the Company added more distributors and retailers through them in the market of Mumbai. From there-on the Company has grown in its distribution as well as manufacturing capabilities over the years. From there-on our Company has grown in its distribution as well as manufacturing capabilities over the years. On April 01, 2012, Iris Clothings was acquired by Our Company, through Sale Agreement wherein our Company acquired assets and liabilities of Iris Clothings and all the manufacturing operations and trading activities was consolidated in our Company. In the year 2012 the business got transferred to a Private Limited Company as "Iris Clothings Private Limited" at Howrah, West Bengal as a Private Company limited by Shares under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated August 27, 2011 bearing Corporate Identification Number U18109WB2011PTC166895 issued by Registrar of Companies, Howrah, West Bengal. The Company was converted into a Public Limited Company w.e.f 24.07.2018.

### Changes in registered office of our Company since incorporation

The registered office of the Company since incorporation is located at 103/24/1, Foreshore Road, Shibpur, Binani Metal Compound, Howrah- 711102. The company has not changed its registered office since incorporation.

### Amendments to our Memorandum of Association

Date of Resolution/ Change	Particulars of change
21.07.2012	Increased in Authorised Share capital of our Company from Rs. 50,00,000/- to Rs. 3,00,00,000/-
28.04.2018	Increased in Authorised Share Capital of our Company from Rs. 3,00,00,000/- to Rs. 16,00,00,000/-

### Major events and milestones of Our Company

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Year	Key Milestones
2011	Incorporation of our Company as a Private Company
2012	Corporatization of business of the Proprietorship firm M/s. Iris Clothings into the Company by way of acquisition of entire business, assets and liabilities of the firm including the brand DOREME.
2016	Company acquired land at M J Industrial Park, Satghoria, Panchla, Howrah West Bengal as a major step towards its expansion plans increasing its manufacturing capabilities.
2016	Company started sale of its products through online e-commerce channels like FirstCry.
2018	Company converted itself from Private to Public

### **Main Objects under the Memorandum of Association**

*“To carry on business to design, manufacture, assemble, acquire, transfer, sell, lease, distribute, import, export or otherwise dispose of all types of garments, clothes, fabrics, apparels including fittings and accessories.”*

*“To acquire and or takeover the existing business with all its assets and liabilities of M/s. Iris Clothings, as a sole proprietorship concern as a going concern.”*

### **Other Details Regarding our Company**

For information on our activities, services, growth, technology, marketing strategy, capacity built-up, our standing with reference to our prominent competitors and customers, please refer to sections titled **“Our Business”**, **“Our Industry”** and **“Management’s Discussion and Analysis of Financial Conditions and Results of Operations”** beginning on pages 83, 71 and 181 respectively of this Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled **“Our Management”** and **“Capital Structure”** beginning on pages 111 and 47 respectively of this Prospectus.

### **Raising of capital in form of equity or debt**

Except as set out in the section titled **‘Capital Structure’** beginning on page 47 of this Prospectus, our Company has raised capital in the form of Equity Shares. Company having the authorised share capital of Rs.16,00,00,000/- and Paid up capital of Rs. 3,43,07,790/-.

### **Time and Cost Overrun in setting-up of projects including the proposed project**

Our Company has not experienced any time or cost overrun in relation to setting up of projects.

### **Defaults or rescheduling of borrowings with financial institutions/ banks, conversion of loans into equity along with reasons thereof**

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings.

### **Strikes or Labour Unrest**

There have been no lock-outs or strikes in our Company since incorporation.

### **Details regarding the changes in the activities of the Issuer during the last five years which may have had a material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.**

There has been no change in the activities of our Company during the period of 5 (five) years prior to the date of filing of this Prospectus which may have had a material effect on the profits or loss of our Company or affected our business including discontinuance of lines of business, loss of agencies or markets and similar factors.

### **Injunction or restraining order**

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

### **Shareholders of our Company**

As on the date of this Prospectus, our Company has 15 (Fifteen) shareholders. For further details in relation to the current shareholding pattern, please refer to section titled **‘Capital Structure’** beginning on page 47 of this Prospectus.

### **Holding Company**

Our Company does not have a holding company as on the date of this Prospectus.

**Subsidiary(ies) of our Company**

Our Company has no subsidiary as on date of this prospectus.

**Shareholders Agreements**

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

**Material Agreements**

Our Company has not entered into any material agreement, other than the agreements entered into by it in ordinary course of its business.

**Strategic Partners**

Our Company does not have any strategic partners as on the date of this Prospectus.

**Financial Partners**

Our Company does not have any financial partners as on the date of this Prospectus.

## OUR MANAGEMENT

### Board of Directors

As on the date of this Prospectus, the Board comprises of Five (5) directors, including Two (2) Executive Directors and Three (3) Non-Executive Directors

Sl. No.	Name, DIN, Date of Appointment, Occupation, Designation, Address and Nationality	Age (in years)	Other Directorships as on the date of this Prospectus
1	Name: Mr. Santosh Ladha DIN: 03585561 Date of Appointment: 30.07.2018 Occupation: Business Designation: Managing Director Address: 37B, Alipore Road, Kolkata- 700027 Nationality: Indian	40 years	Iris Fashions Private Limited Iris Apparels Private Limited
2	Name: Mrs. Geeta Ladha DIN: 03585488 Date of Appointment: 30.07.2018 Occupation: Business Designation: Executive Whole Time Director Address: 37B, Alipore Road, Kolkata- 700027 Nationality: Indian	39 years	Iris Fashions Private Limited
3	Name: Mr. Baldev Das Ladha DIN: 03585566 Date of Appointment: 30.07.2018 Occupation: Business Designation: Non- Executive Director Address: 37B, Alipore Road, Kolkata- 700027 Nationality: Indian	75 years	
4	Name: Mr. Rajesh Kumar Rathi DIN: 00669100 Date of Appointment: 05.07.2018 Occupation: Business	43 years	RRD Decors Private Limited

Sl. No.	Name, DIN, Date of Appointment, Occupation, Designation, Address and Nationality	Age (in years)	Other Directorships as on the date of this Prospectus
	Designation: Non Executive and Independent Director  Address: BL, 414 Sec-2, Salt Lake City, Tank No. 8, Kolkata- 700 091  Nationality: Indian		
5	Name: Mrs. Sujata Saha  DIN: 00856579  Date of Appointment: 30.07.2018  Occupation: Business  Designation: Non Executive and Independent Director  Address: 248, S.N Roy Road, Kolkata- 700 038  Nationality: Indian	66 years	Nittohari Saha Properties Private Limited

**Note:**

- 1) None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of this Prospectus.
- 2) None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company are debarred by SEBI from accessing the capital market.

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

**Family Relationships between the Directors**

Except as stated below, none of directors are related to each other as per section 2(77) of the Companies Act, 2013:

Director	Other Director	Relation
Mr. Santosh Ladha	Mrs. Geeta Ladha	Wife
Mrs. Geeta Ladha	Mr. Santosh Ladha	Husband
Baldev Das Ladha	Mr. Santosh Ladha Mrs. Geeta Ladha	Son Daughter in Law

**Brief Biographies of the Directors**

**Mr. Santosh Ladha**, aged about 40 years, is the Managing Director of our Company. Mr. Santosh Ladha holds a Bachelors degree in Commerce and has an experience of 22 years in this textile industry. He is the founder promoter of the Company and has conceptualized and externalized the brand "**Doreme**". Mr. Santosh Ladha has an in-depth understanding of the domestic readymade apparels markets. Being a dynamic and toe marking personality, he looks after all the operations of the company directly with the help of a strong team.

**Mrs. Geeta Ladha**, aged about 39 years, is the Whole Time Director of our Company. She holds a Bachelors Degree in commerce and has an experience of 14 years, with an unmatched exuberance in providing creative and innovative ideas to update the products and has been with the company since its inception.

**Mr. Baldev Das Ladha**, aged about 75 years, is the Non Executive Director of the Company. He has an experience of more than 40 years in the Textile industry. His experience has been an asset to the Company.

**Mr. Rajesh Kumar Rathi**, aged about 43 years, is the Non Executive and Independent Director of our Company. He is a commerce graduate and has an experience of more than 20 years in textile business. Being an enterprenuer himself, his unmatched experience in the textile industry has made him a valuable tool to the Company.

**Mrs. Sujata Saha**, aged about 66 years, is the Non Executive and Independent Director of our Company. She is BA Hons, B.Ed, MBA (Marketing) and FCA. She has a vast experience of more than 2 decades in finance and a regular faculty at various educational institutes. Having such an diversified experience of more than 30 years years has made her a valuable asset to the Company .

#### **Arrangements with major Shareholders, Customers, Suppliers or Others**

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management as on the date of this Prospectus.

#### **Service Contracts**

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

#### **Common directorships of the Directors in companies whose shares are/were suspended from trading on the Stock Exchange(s) and/ or the Stock Exchange(s) for a period beginning from five (5) years prior to the date of this Prospectus**

None of the Directors are/ were directors of any company whose shares were suspended from trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years.

#### **Common directorships of the Directors in listed companies that have been/were delisted from stock exchanges in India**

None of the Directors are/ were directors of any entity whose shares were delisted from any Stock Exchange(s).

Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.

#### **Remuneration to Managing/Whole-time Directors**

The remuneration payable to our Managing/Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), 2(94), 196, 197, 198 and 203 and any other applicable provisions of the Act read with Schedule V to the Act and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 2013, for the time being in force) and subject to the approval of the shareholders wherever applicable.

The details of remuneration paid and perquisites given to Directors for services rendered by them to the Company during the FY 2017-18:

#### **Mrs. Geeta Ladha**

<b>Particulars</b>	<b>Remuneration</b>
Basic Salary	Rs. 1.25 Crores per annum
Designation	Whole Time Director
Term	5 years
Perquisites	Nil
Remuneration paid for FY 2017-18	Rs. 72.00 Lacs P.A.

**Mr. Santosh Ladha**

Particulars	Remuneration
Basic Salary	Rs. 1.25 crores
Designation	Managing Director
Term	5 years
Perquisites	Nil
Remuneration paid for FY 2017-18	Rs. 84. 00 Lacs P.A.

**Payment or benefit to Non-Executive Directors of our Company**

Apart from the remuneration of our Managing/Whole-time Directors as provided under the heading 'Remuneration to Managing/Whole-time Directors' above, our Non-Executive Directors & Independent Directors are entitled to be paid a sitting fee up to the limits prescribed by the Act and the Rules made there under and actual travel, boarding and lodging expenses for attending the Board or Committee meetings. They may also be paid commissions and any other amounts as may be decided by the Company in accordance with the provisions of the Articles, the Act and any other applicable Indian laws and regulations.

**Borrowing power of the Board**

Pursuant to a special resolution passed at an General Meeting of our Company held on 30.07.2018 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180(1)(c) of the Companies Act, 2013 for borrowing, from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 50 crores.

**Interests of our Directors**

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Managing Director and Whole time Director of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association.

Some of the Directors may be deemed to be interested to the extent of consideration received/ paid or any loans or advances provided to anybody corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of equity shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the Offer and also to the extent of any dividend payable to them and other distribution in respect of the said equity shares.

The Directors may also be regarded as interested in the equity shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/ or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the equity shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as directors, members, partners and promoters, pursuant to the Offer.

All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Director himself or other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations:



### Shareholding of Directors in our Company

The details of the shareholding of our Directors as on the date of this Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1.	Geeta Ladha	22,07,547	64.35%	
2.	Santosh Ladha	3,45,074	10.06%	
3.	Baldev Das Ladha	69,474	2.03%	
	<b>Total</b>	<b>26,22,095</b>	<b>76.44%</b>	

Further, except as disclosed under sub-section '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.

Except for Mr. Santosh Ladha, Mrs. Geeta Ladha and Mr. Baldev Das Ladha, as stated in '**Financial Information**' and '**Our Promoters and Promoter Group**' beginning on pages 131 and 123 respectively of this Prospectus, our Directors do not have any interest in the promotion of our company or business of our Company.

### Interest in the property of Our Company

Our Directors have no interest in any property acquired or proposed to be acquired by our Company in the preceding two years from the date of the Prospectus nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

### Interest in the business of our Company

Further, save and except as stated otherwise in 'Annexure IV: Statement of Related Parties' Transactions' in the chapter titled 'Financial Information' beginning on page number 131 of this Prospectus, our Directors do not have any other interests in our Company as on the date of this Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Offer or any such intermediaries registered with SEBI.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the directors was selected as a director or member of senior management.

### Interest as member of our Company

As on date of this Prospectus, our Directors together holds 26,22,095 Equity Shares in our Company i.e. 76.43% of the pre Issue paid up Equity Share capital of our Company. Therefore, our Directors are interested to the extent of their respective shareholding and the dividend declared, if any, by our Company.

### Bonus or Profit Sharing Plan for the Directors

There is no bonus or profit sharing plan for the Directors of our Company.

### Contingent and Deferred Compensation payable to Directors

No Director has received or is entitled to any contingent or deferred compensation

Except as disclosed in this Prospectus, no sum has been paid or agreed to be paid to any of our Directors or to any firm or company in which Director is a partner or member, in cash or shares or otherwise by any person either to induce such Director to become, or to qualify as, a director, or otherwise for services rendered by such Director or by such firm or company in connection with the promotion or formation of our Company.

The trademark of our company is in the name of the Company.

**Changes in our Company's Board of Directors during the last three (3) years:**

Name	Date of Event	Nature of Event
Rajesh Kumar Rathi	05.07.2018	Appointment of Rajesh Kumar Rathi as Additional Director
Rajesh Kumar Rathi	09.07.2018	Regularization of Rajesh Kumar Rathi as Independent Director
Sujata Saha	27.07.2018	Appointment as Additional Independent Director
Santosh Ladha	27.07.2018	Appointment as Additional Director
Geeta Ladha	30.07.2018	Change in designation from Director to Whole Time director
Santosh Ladha	30.07.2018	Regularization from Additional Director to Managing Director
Baldev Das Ladha	30.07.2018	Change in Designation from Executive to Non Executive Director
Sujata Saha	30.07.2018	Regularization from Additional Director to Independent Director

**COMPLIANCE WITH CORPORATE GOVERNANCE**

Our Company is not required to constitute a corporate social responsibility committee in terms of the provisions of Section 135 of the Act.

Our Company has constituted the following committees:

**1. Audit Committee**

Our Company has formed the Audit Committee vide resolution passed in the meeting of Board of Directors held on 27.07.2018 as per the applicable provisions of the Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 18 of SEBI Listing Regulations (applicable upon listing of Company's Equity Shares). The constituted Audit Committee comprises following members.

Name of the Director	Status in Committee	Nature of Directorship
Mr. Rajesh Kumar Rathi	Chairman	Non-Executive and Independent Director
Mr. Sujata Saha	Member	Non-Executive and Independent Director
Mr. Santosh Ladha	Member	Managing Director

The Company Secretary of our Company shall act as a Secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements. The scope and function of the Audit Committee and its terms of reference shall include the following:

- A. Tenure:** The Audit Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.
- B. Meetings of the Committee:** The Committee shall meet at least four (4) times in a year and not more than one hundred twenty (120) days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the Committee, whichever is higher but there shall be presence of minimum two Independent Directors at each meeting.
- C. Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulations and Act shall be as under:
  - (a) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
  - (b) review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - (c) examination and reviewing of the financial statement and the auditors' report thereon before submission to the board for approval, with particular reference to:
    - i. matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Act;
    - ii. changes, if any, in accounting policies and practices and reasons for the same;

- iii. major accounting entries involving estimates based on the exercise of judgment by management
  - iv. significant adjustments made in the financial statements arising out of audit findings
  - v. compliance with listing and other legal requirements relating to financial statements
  - vi. disclosure of any related party transactions
  - vii. Qualifications in the draft audit report
- (d) examination and reviewing, with the management, the quarterly financial statements before submission to the board for approval
  - (e) approval or any subsequent modification of transactions of the Company with related parties
  - (f) scrutiny of inter-corporate loans and investments
  - (g) valuation of undertakings or assets of the Company, wherever it is necessary;
  - (h) evaluation of internal financial controls and risk management systems;
  - (i) monitoring the end use of funds raised through public offers and related matters;
  - (j) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - (k) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (l) 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;
  - (m) discussion with internal auditors of any significant findings and follow up thereon;
  - (n) 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;
  - (o) 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;
  - (p) 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;
  - (q) approval of appointment of CFO (i.e., the Whole-time Finance Officer or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  - (r) reviewing the Management discussion and analysis of financial condition and results of operations;
  - (s) reviewing the Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (t) reviewing the Internal audit reports relating to internal control weaknesses;
  - (u) reviewing the appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee;
  - (v) reviewing the functioning of the Whistle Blower mechanism;
  - (w) reviewing/ redressal of complaint/s under the Sexual Harassment of Women at Workplace (Prohibition, Prevention & Redressal) Act, 2013;

- (x) establishment of a vigil mechanism for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy in such manner as may be prescribed, which shall also provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases:
- (y) such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and SEBI Listing Regulations."

## 2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Section 178 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 20 of SEBI Listing Regulations (applicable upon listing of Company's equity shares) vide board resolution dated 27.07.2018. The constituted Stakeholders Relationship Committee comprises the following members:

Name of the Director	Status in Committee	Nature of Directorship
Baldev Das Ladha	Chairman	Non-Executive Director
Rajesh Kumar Rathi	Member	Non-Executive and Independent Director
Mrs. Sujata Saha	Member	Non-Executive and Independent Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Terms of Reference:** The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Stakeholders Relationship Committee include the following:
- Considering and resolving the grievance of security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
  - Such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Act read with SEBI Listing Regulations.

## 3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Section 178 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 19 of SEBI Listing Regulations (applicable upon listing of Company's Equity Shares) vide board resolution dated 27.07.2018. The Nomination and Remuneration Committee comprises the following members:

Name of the Director	Status in Committee	Nature of Directorship
Ms. Sujata Saha	Chairperson	Non-Executive & Independent Director
Mr. Rajesh Kumar Rathi	Member	Non-Executive and Independent Director
Mr. Baldev Das Ladha	Member	Non-Executive Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

- A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

- B. Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.
- C. Terms of Reference:**
- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
  - (b) Formulation of criteria for evaluation of Independent Directors and the Board;
  - (c) Devising a policy on Board diversity;
  - (d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance;
  - (e) Determining, reviewing and recommending to the Board, the remuneration of the Company's Managing/ Joint Managing / Deputy Managing / Whole time / Executive Director(s), including all elements of remuneration package;
  - (f) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - (g) Formulating, implementing, supervising and administering the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/regulatory guidelines;
  - (h) Carrying out any other functions as authorized by the Board from time to time or as enforced by statutory/regulatory authorities.

**POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING:**

The provisions of the Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, as amended, will be applicable to our Company immediately upon the listing of Equity Shares. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, as amended on listing of Equity Shares. Further, Board of Directors at their meeting held on 27.07.2018 has approved and adopted the policy on insider trading in view of the proposed public issue.

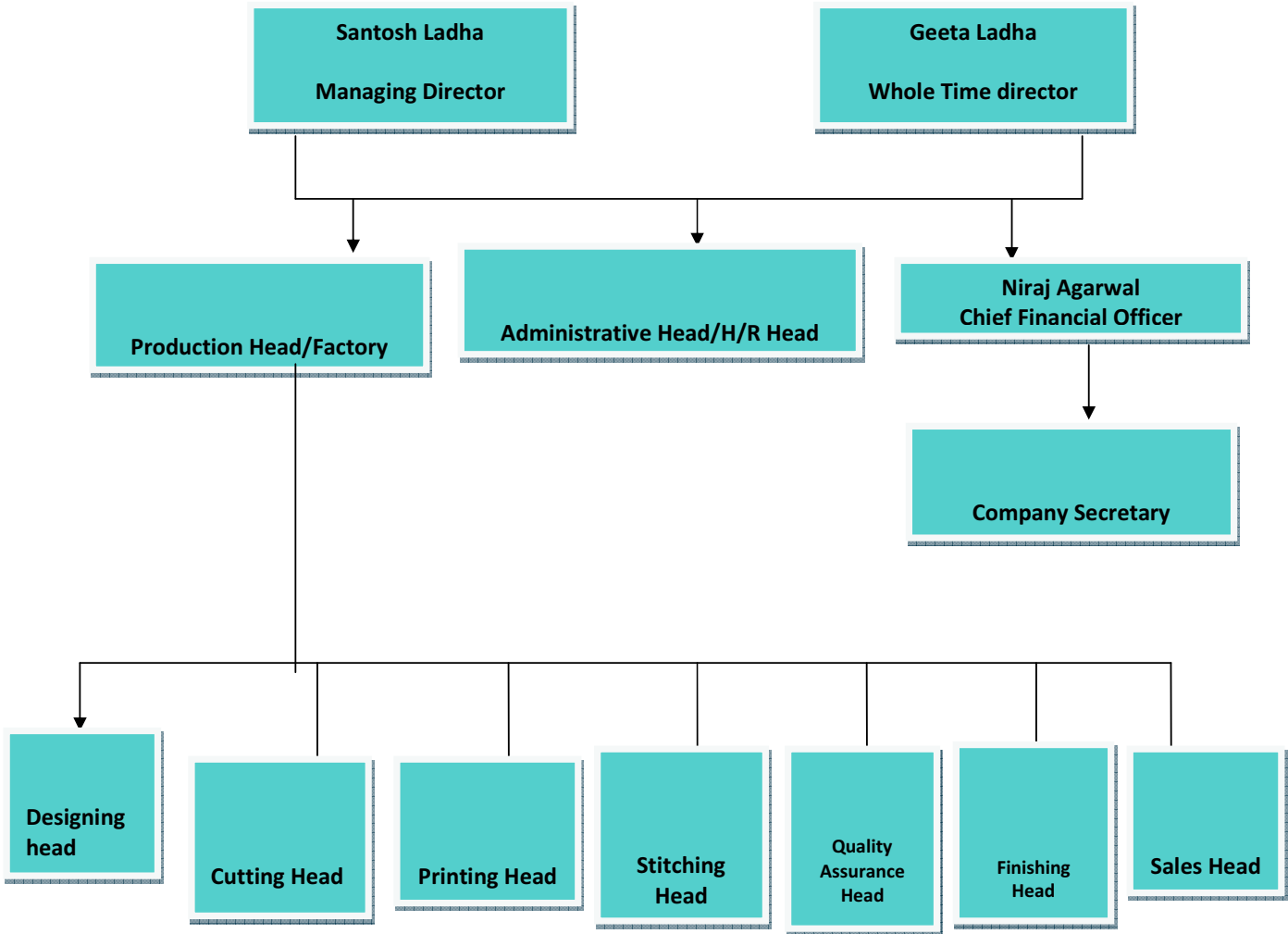
The Company Secretary and Compliance Officer of our Company will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

**POLICY FOR DETERMINATION OF MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS:**

The provisions of the SEBI Listing Regulations will be applicable to our Company immediately upon the listing of Equity Shares of our Company. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, as amended, on listing of Equity Shares. The Board of Directors at their meeting held on 27.07.2018 has approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

## Management Organizational Structure

The following chart depicts our Management Organization Structure:



### **Profiles of our Key Managerial Personnel**

Set forth below are the details of our Key Management Personnel as prescribed under the Companies Act 2013, in addition to our Managing Director and Whole Time Director as on the date of filing of this Prospectus. For details of our Managing Director and Whole Time Director, see Brief biographies of our Directors under the heading “*Our Management*” on page 111.

The details of the Key Managerial Personnel as on the date of this Prospectus are set out below. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

**Mr. Niraj Agarwal**, aged about 30 years, is the Chief Financial Officers of the Company. Mr. Niraj Agarwal holds a CA Inter Degree provided by The Institute of Chartered Accountants of India and also holds Bachelors in Commerce from Calcutta University. He is having well experience in the field of Accounting and Finance. His duties include tracking cash flow and financial planning as well as analyzing the company's financial strengths and weaknesses and proposing corrective actions.

**Ms. Sweta Agarwal**, aged 33 years, is appointed as the Company Secretary and Compliance Officer of the company. She is an associate member of Institute of Company Secretaries of India. She has 4 (four) year of experience in secretarial field. She is currently responsible for secretarial and legal compliance and matters related thereto of our company.

#### **Status of Key Management Personnel in our Company**

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

#### **Shareholding of Key Management Personnel in our Company**

Other than the Managing Director and Whole Time Director as detailed aforesaid, none of the Key Managerial Personnel of our Company hold any shares of our Company as on the date of this Prospectus.

#### **Bonus or profit sharing plan of the Key Managerial Personnel**

Our Company does not have a performance linked bonus or a profit sharing plans for the Key Management Personnel. However, our Company may pay incentive to its employees including the Key Managerial Personnel based on their performance as per the Company's policies.

#### **Interests of Key Management Personnel**

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Our Key Management Personnel 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.

#### **Payment of Benefits to Officers of our Company (*non-salary related*)**

Except as disclosed in this Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards superannuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated under section titled '*Financial Information*' beginning on page 131 of this Prospectus, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoters.

#### **Relationship amongst the Key Managerial Personnel of our Company**

None of the Key Managerial Personnel are related to each other.

#### **Arrangement and Understanding with Major Shareholders/Customers/ Suppliers**

None of the above Key Managerial Personnel have been selected pursuant to any arrangement/ understanding with major shareholders/customers/suppliers.

#### **Details of Service Contracts of the Key Managerial Personnel**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

#### **Employee Stock Option or Employee Stock Purchase**

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Prospectus.

#### **Loans availed by Directors / Key Managerial Personnel of our Company**

None of the Directors or Key Managerial Personnel have availed loan from our Company which is outstanding as on the date of this Prospectus.

#### **Changes in Our Company's Key Managerial Personnel during the last three (3) years other than directors**

<b>Name</b>	<b>Date of Change</b>	<b>Designation</b>
Mr. Niraj Agarwal	27.07.2018	Appointed as Chief Finance Officer
CS Sweta Agarwal	20.08.2018	Appointed as Company Secretary

#### **Scheme of Employee Stock Options or Employee Stock Purchase**

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

#### **Employees**

As on the date of this Prospectus, our Company has more than 600 employees including the Managing Director and KMPs. For details of the Employees/ Manpower of our Company, please refer to the paragraph entitled 'Manpower' under the chapter titled "**Our Business**" beginning on page 83 of this Prospectus.

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

None of our key managerial personnel has been paid any loans of any nature, other than their remuneration.

#### **Director's association with the Securities Market**

None of the Directors of our Company are associated with securities market.

#### **Arrangements and Understanding with Major Shareholders, Customers, Suppliers or Others**


There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management as on the date of this Prospectus.




## OUR PROMOTERS AND PROMOTER GROUP

### OUR INDIVIDUALA PROMOTERS

Brief Profile of our Promoter is as follows:

	<b>Mrs. Geeta Ladha</b>
Date of Birth	7 <sup>th</sup> June, 1979
Address	37B, Alipore Road, Flat- 8A, Kolkata- 700027
Qualification	Commerce Graduate
Experience	She has an experience of 14 years, with an unmatched exuberance in providing creative and innovative ideas to update the products and has been with the company since its inception.
Occupation	Business
Permanent Account Number	ACEPR2371P
Voter Identification Card Number	APH2141109
Driving License Number	WB-0120151056654
Passport Number	S1925966
Aadhaar Number	773324778157
Name of the Bank, Branch and Account Number	Axis Bank Limited Branch: Shibpur, Howrah Account no.: 916010013118854
No. of Equity Shares held in [% of holding (Pre-Offer)]	22,07,547 (64.35%)
Other Interests	Iris Fashions Private Limited- Director and shareholder

	<b>Mr. Santosh Ladha</b>
Date of Birth	13 <sup>th</sup> December, 1977
Address	37B, Alipore Road, Flat- 8A, Kolkata- 700027
Qualification	Commerce Graduate
Experience	He has an experience of 22 years in this textile industry. He is the founder promoter of the Company and has conceptualized and externalized the brand "Doreme". Mr. Santosh Ladha has an in-depth understanding of the domestic readymade apparels markets. Being a dynamic and toe marking personality, he looks after all the operations of the company directly with the help of a strong team.
Occupation	Business
Permanent Account Number	AAZPL4005H
Voter Identification Card Number	APH2141117
Driving License Number	WB-1120070082201
Passport Number	Z4443576
Aadhaar Number	416453557397
Name of the Bank, Branch and	Axis Bank Limited

Account Number	Branch: Shibpur, Howrah Account No.: 916010013118951
No. of Equity Shares held in [% of holding (Pre Offer)]	345074 (10.06%)
Other Interests	Iris Fashions Private Limited- Director and shareholder Iris Apparels Private Limited- Director and shareholder Santosh Ladha HUF - Karta

#### **DECLARATION FOR THE PROMOTERS**

Our Company undertakes that the details Bank Account Number, Aadhaar Card Number, Passport and PAN of our Promoters have been submitted to National stock Exchange of India Limited, where the securities of our Company are proposed to be listed at the time of submission of this Prospectus.

No shares for lock-in towards minimum promoter contribution has been offered by SEBI registered Venture Capital Fund, Foreign Venture Capital Investors or Alternate Investment Funds.

#### **Common Pursuits of our Promoter Group**

Except as disclosed the chapter titled '*Our Group Entities – Common Pursuits*' beginning on page 123 of this Prospectus, none of the persons belonging to the Promoter Group are having business similar to our business.

#### **INTEREST OF THE PROMOTERS**

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

Our Promoters are interested in our Company to the extent that they have promoted the 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 47 of this Prospectus.

##### **Interest as Director of our Company**

Mr. Santosh Ladha is the Managing Director and Mrs. Geeta Ladha is the Whole Time Director of the Company and also be deemed 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 111 of this Prospectus.

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

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

##### **Interest as Member of our Company**

As on the date of this Prospectus, our Promoters and Promoter Group collectively hold 31,41,579 Equity Shares representing 91.58% of the pre issue paid up share capital of our Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company.

#### **PAYMENT OR BENEFITS TO OUR PROMOTERS OR PROMOTER GROUP**

Except as stated in the "*Related Party Transactions*" under section "*Financial Statements as Re-Styled*"; "*Our Management*" and "*Our Promoters and Promoter Group*" on page 131,111 and 123 of this Prospectus respectively, no payment or benefits have been given to our Promoters or Promoter Group during the two years preceding the date of filing of this Prospectus, nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

## RELATED PARTY TRANSACTIONS

For details of related party transactions entered into our by our Promoters, Promoter Group and Company during the last Financial Year, the nature of transactions and the cumulative value of transaction, please refer to section titled “**Related Party Transactions**” on page 129 of this Prospectus.

## COMPANIES WITH WHICH OUR PROMOTERS ARE DISASSOCIATED IN THE LAST THREE YEARS

Our Promoters have not disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this Prospectus.

## CHANGES IN CONTROL

For details of change in management or control of our Company in the last three year please refer to the section titled “**Our Management**” and “**Our Promoter and Promoter Group**” on page 111 and 123 of this Prospectus

## LITIGATION PERTAINING TO OUR PROMOTERS

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “**Outstanding Litigations and Material Developments**” on page 190 of this Prospectus.

## OTHER VENTURE OF OUR PROMOTER

Except as disclosed in the section titled “**Our Promoter and Promoter Group**” on page 123 of this Prospectus, there are no ventures promoted by our promoter in which they have any business interest/ other interests.

## OUR PROMOTER GROUP

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

### Individual forming part of Promoter Group

As per Regulation 2(1)(zb) of the SEBI (ICDR) Regulations, 2009, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters), other than the Promoters, are as follows:

Relationship with	Mrs. Geeta Ladha
Father	Mr. Manaklal Rathi
Mother	Mrs. Sharadha Rathi
Spouse	Mr. Santosh Ladha
Daughter	Ms. Shruti Ladha Ms. Sakshi Ladha
Son	Mr. Satvik Ladha
Brother	Mr. Mukesh Rathi
Sister	Nil
Spouse’s Father	Mr. Baldev Das Ladha
Spouse’s Mother	Mrs. Kamala Devi Ladha
Spouse’s Brother	Nil
Spouse’s Sister	Nil

Relationship with	Mr. Santosh Ladha
Father	Mr. Baldev Das Ladha
Mother	Mrs. Kamala Devi Ladha
Spouse	Mrs. Geeta Ladha
Daughter	Ms. Shruti Ladha Ms. Sakshi Ladha
Son	Mr. Satvik Ladha
Brother	Nil
Sister	Nil

<b>Relationship with</b>	<b>Mr. Santosh Ladha</b>
Spouse's Father	Mr. Manaklal Rathi
Spouse's Mother	Mrs. Sharadha Rathi
Spouse's Brother	Mr. Mukesh Rathi
Spouse's Sister	Nil

#### Other Entities forming part of Promoters Group

##### 1. Iris Fashions Private Limited

CIN	U18109WB2011PTC171010
Date of Incorporation:	21st December, 2011
Registration Number	171010
Address:	44 Foreshore Road, Howrah- 711102
PAN	AACCI8079E
Name of Bank, Branch and Account Number	Axis Bank Limited; Branch: Shibpur, Howrah Account No.: 916020043276985

#### Operations of Iris Fashions Private Limited

Iris Fashions Private Limited is incorporated with the object to do the business of designing, manufacturing, assembling, acquiring, transfer, selling, leasing, distributing, import export of garments, clothes, fabrics and apparels.

#### Board of Directors

<b>Name of Director</b>	<b>Designation</b>
Santosh Ladha	Director
Geeta Ladha	Director

#### Shareholding as on the date of the Prospectus

Name of the Shareholder	No. of shares held	% of the equity share capital
Santosh Ladha	10,000	47.62%
Geeta Ladha	10,000	47.62%
Baldev Das Ladha	500	2.38%
Santosh Ladha HUF	500	2.38%
<b>Total</b>	<b>21,000</b>	<b>100.00%</b>

#### Audited Financial Statement of Iris Fashions Private Limited

Particulars	Financial Year (Amount In Rs.)		
	2017-18	2016-17	2015-16
Equity Share Capital	2,10,000.00	2,10,000.00	2,10,000.00
Reserve (excluding revaluation reserve)	(89,03,976.23)	(75,50,868.06)	(75,80,603.82)
Sales	-	1,38,75,763.64	97,75,733.00
Profit After Tax	(13,53,108.17)	29,735.76	3,10,532.52
Earnings Per share	(64.43)	1.42	14.79
Diluted Earnings Per share	(64.43)	1.42	14.79
Net Asset Value	(413.99)	(349.57)	(350.98)

#### Change in the Management and Control:

There has been change in control or management of "Iris Fashions Private Limited" in the last 3 (three) years immediately preceding the date of filing this Prospectus, as stated below:

##### 2. Iris Apparels Private Limited

CIN	U18109WB2012PTC171666
Date of Incorporation:	5 <sup>th</sup> January, 2012
Registration Number	171666
Address:	44 Foreshore Road, Howrah- 711102

PAN	AACCI8077L
Name of Bank, Branch and Account Number	Axis Bank Limited; Branch: Shibpur, Howrah Account No.: 916020043563823

### Operations of Iris Apparels Private Limited

Iris Apparels Private Limited is incorporated with the object to do the business of designing, manufacturing, assembling, acquiring, transfer, selling, leasing, distributing, import export of garments, clothes, fabrics and apparels.

### Board of Directors

Name of Director	Designation
Santosh Ladha	Director
Kamala Devi Ladha	Director

### Shareholding as on the date of the Prospectus

Name of the Shareholder	No. of shares held	% of the equity share capital
Kamala Devi Ladha	1,49,760	93.74%
Santosh Ladha	10,000	6.26%
Total	1,59,760	100.00%

### Audited Financial Statement of Iris Apparels Private Limited

Particulars	Financial Year (Amount in Rs.)		
	2017-18	2016-17	2015-16
Equity Share Capital	15,97,600.00	15,97,600.00	15,97,600.00
Reserve (excluding revaluation reserve)	8,04,932.27	7,99,464.47	7,29,202.00
Sales	-	63,07,769.00	85,20,198.19
Profit After Tax	5,467.80	70,262.47	86,691.78
Earnings Per share	0.03	0.44	0.54
Diluted Earnings Per share	0.03	0.44	0.54
Net Asset Value	15.04	15.00	14.56

### Change in the Management and Control:

There has been change in control or management of "Iris Apparels Private Limited" in the last 3 (three) years immediately preceding the date of filing this Prospectus.

### CONFIRMATIONS

None of our Promoters or Promoter Group or Group Companies / entities or person in control of our Company, the natural persons in control of our corporate Promoter has been

1. 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 SEBI or any other authority or
2. refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of our Promoters, person in control of our Company, persons in control of our Corporate Promoter are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group Companies have been declared as a willful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

## **OUR GROUP ENTITIES**

As per the requirements of SEBI (ICDR) Regulations, for the purpose of identification of 'Group Companies/ Entities', our Company has considered those companies as Group Companies, which are included in the list of related parties of the Company, under the Accounting Standard 18 or other Companies as considered material by our Board. Pursuant to a resolution of our Board dated July 27, 2018, for the purpose of disclosure in Offer documents for the Offer, a company shall be considered material and disclosed as a 'Group Company' if (i) companies in which the investment in the form of equity or loan by our Company exceeds 10% of the consolidated net worth of our Company for the last audited financial year; (ii) where the Company has entered into one or more transactions with such company in the last audited financial year, cumulatively exceeding 10% of the total consolidated revenue of our Company for the last audited financial year; and (iii) any other company which the Board may decide.

## RELATED PARTY TRANSACTIONS

For details on related party transactions of our Company, please refer to “*Financial Information – Annexure – 32.3 Related Party Transactions*” in section titled “*Financial Statement as Re-Stated*” beginning on page 131 of this Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

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

Our Company has not declared any dividend on the Equity Shares in the past five financial years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.



## FINANCIAL STATEMENT AS RESTATED

To  
The Board of Directors,  
IRIS CLOTHINGS LIMITED  
103/24/1, Upper Foreshore Rd,  
Shibpur, Howrah-711 102

Dear Sirs,

### Report on Restated Financial Statement

1. We have examined the attached Restated Statement of Assets and Liabilities of **IRIS CLOTHINGS LIMITED (“the Company”)** as at 30<sup>th</sup> June, 2018, 31<sup>st</sup> March 2018, 31<sup>st</sup> March 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015 and 31<sup>st</sup> March 2014, the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the period ended 30<sup>th</sup> June, 2018 and financial year ended on 31<sup>st</sup> March 2018, 31<sup>st</sup> March 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015 and 31<sup>st</sup> March 2014 (collectively the “Restated Summary Statements” or Restated Financial Statements”). These Restated summary Statements have been prepared by the company and as approved by the Board of Directors of the company in connection with the Initial Public Offer (IPO) on the SME Platform of National Stock Exchange of India Limited (“NSE”).
2. These Restated Summary Statements has been prepared in accordance with the requirements of:
  - ix. Section 26 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of companies Act, 2013, as amended (hereinafter referred to as the “Act”) and
  - ii. Item (IX) of Part (B) of schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, As amended (The “SEBI Regulation”) issued by the SEBI.
  - iii. The terms of reference to our engagements with the company requesting us to carry out the assignment, in connection with the Prospectus/Prospectus being issued by the Company for its proposed Initial Public Offer (IPO) of equity shares in SME Platform of NSE (“IPO” of “SMEIPO”): and
  - iv. The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“Guidance Note”).
  - v. In terms of Schedule VIII of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts, We, AMK & Associates., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid Certificate No. 009747 dated 17.03.2017 issued by the “Peer Review Board” of the ICAI.
3. The Restated Summary Statements and Financial information of the Company have been extracted by the management from the Audited Financial Statements of the Company for the period ended 30<sup>th</sup> June, 2018 and financial year ended on 31<sup>st</sup> March 2018, 31<sup>st</sup> March 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, and 31<sup>st</sup> March 2014 which have been approved by the Board of Directors.
4. Financial Statements for the period ended 30<sup>th</sup> June, 2018 and financial year ended 31<sup>st</sup> March 2018, have been re-audited by us. We have not audited the standalone financial statements of the Issuer as of and for the financial years ended March 31, 2017, 2016, 2015 and 2014 which have been audited solely by M/s. R. Rathi & Co. (Chartered Accountants) in the capacity of Statutory Auditor of the Company (collectively, the “Historical Audited Financial Statements”). The Historical Audited Financial Statements and Current Audited Financial Statements are hereinafter collectively referred to as the “Audited Financial Statements.”, and accordingly reliance has been placed on the financial information for the said years.

### A. Financial Information as per Audited Financial Statements:

5. We have examined:
  - a. The attached Restated Statements of Assets and Liabilities of the company, as at 30<sup>th</sup> June, 2018 and 31<sup>st</sup> March 2018, 31<sup>st</sup> March 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, and 31<sup>st</sup> March 2014 (**Annexure 1**);

- b. The attached Restated Statement of Profits and Losses of the company for the period ended 30<sup>th</sup> June, 2018 and financial years ended on 31<sup>st</sup> March 2018, 31st March 2017, 31st March 2016, 31st March 2015, and 31st March 2014, (**Annexure 2**);
- c. The attached Restated Statement of Cash Flows of the company for the period ended 30<sup>th</sup> June, 2018 and financial years ended on 31<sup>st</sup> March 2018, 31st March 2017, 31st March 2016, 31st March 2015, and 31st March 2014, (**Annexure 3**);

The Significant Accounting Policies adopted by the company and notes to Restated Financial Statements along with adjustments on account of audit qualifications/ adjustments /regroupings. (**Annexure 4**);

6. In accordance with the requirements of Act, ICDR Regulations, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:
- i. The “Restated Statement of Assets and Liabilities” as set out in **Annexure 1** to this report, of the company as at 30<sup>th</sup> June, 2018 and 31st March 2018, 31st March 2017, 31st March 2016, 31st March 2015, and 31st March 2014 are prepared by the company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure 4** to this report.
  - ii. The “Restated Statement of Profit and Loss” as set out in **Annexure 2** to this report, of the company for the period ended 30<sup>th</sup> June, 2018 and financial years ended on 31<sup>st</sup> March 2018, 31st March 2017, 31st March 2016, 31st March 2015, and 31st March 2014, are prepared by the company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure IV to this Report.
  - iii. The “Restated Statement of Cash Flow” as set out in **Annexure 3** to this report, of the company for the period ended 30<sup>th</sup> June, 2018 and financial years ended on 31<sup>st</sup> March 2018, 31st March 2017, 31st March 2016, 31st March 2015, and 31st March 2014 are prepared by the company and approved by the Board of Directors. This Statement of Cash flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure 4** to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company and Auditors Report thereon which have been prepared by the previous Statutory Auditor of the Company for the financial years ended on 31<sup>st</sup> March 2018, 31st March 2017, 31st March 2016, 31st March 2015, and 31st March 2014. we are of the opinion that “**Restated Financial Statements**” or “**Restated Summary Statements**” have been made after incorporating:

- 1) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all reporting periods.
  - a. Adjustments for any prior period material amounts in the respective financial years have been made to which they relate; and
  - b. Adjustments on account of the statutory audit qualifications, if any, have been adjusted and regrouped to the individual financial statements of the company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure 4** to this Report.
  - c. Adjustments in Financial Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Financial Statements.
  - d. There is no change in accounting policies, which needs to be adjusted in the “Restated Financial Statements”.
  - e. The company has not paid any dividend on its equity shares till 30<sup>th</sup> June, 2018.

**B. Other Financial Information:**

7. We have also examined the following standalone financial information as set out in annexure prepared by the Management and as approved by the Board of directors of the company for the period ended 30<sup>th</sup> June, 2018 and

financial years ended on 31<sup>st</sup> March 2018, 31st March 2017, 31st March 2016, 31st March 2015, and 31st March 2014.

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8. The Restated Financial Information contain all the disclosures required by the Accounting Standards notified under the Companies Act, 2013 of India read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Act.
9. We have not audited any financial statements of the company as of any date subsequent to June 30, 2018. Accordingly, we do not express any opinion on the financial position, results or cash flows of the company as of any date or for any period subsequent to June 30, 2018.
10. The preparation and presentation of the financial statements referred to above are based on the Audited financial statements of the company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the company.
11. In our opinion, the above financial information contained in **Annexure 1 to 3** and **Annexure 5 to 35** of this report read along with the restated statement of Significant Accounting Policies and Notes as set out in **Annexure 4** are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with

paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India ("ICAI") to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you.

12. Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion considered appropriate to comply with the same. As a result of these regroupings and adjustments, the amount reported in the information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
13. The report should not in any way be construed as a re-issuance or re-drafting of any of the previous audit report, nor should this construed as a new opinion on any of the financial statements referred to herein.
14. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
15. 15. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME-IPO for proposed Issue of Equity Shares of the company and our report should not be used, referred to or quoted for any other purpose without our written consent.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these restated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

- a. In the case of Restated Statement of Assets and Liabilities of the Company as at 30<sup>th</sup> June, 2018, 31<sup>st</sup> March 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014;
- b. In the case of the Restated Statement of Profit and Loss, of the profit of the Company for the period ended 30<sup>th</sup> June, 2018 and financial years ended on 31<sup>st</sup> March 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014; and
- c. In the case of the Restated Cash Flow Statement, of the cash flows of the Company for the period ended 30<sup>th</sup> June, 2018 and financial years ended on 31<sup>st</sup> March 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014.

Dated : 24/09/2018  
Place: Kolkata

**For AMK & Associates**  
**Chartered Accountants**  
**F.R.N.327817E**  
**SD/-**  
**Bhupendra Kumar Bhutia**  
**Partner**  
**M.No.: 059363**

**RESTATED BALANCE SHEET**

(Amt in Rs.)

Particulars	Annexure No.	As at					
		30.06.2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>EQUITY AND LIABILITIES</b>							
<b>Shareholders' funds</b>							
(a) Share capital	5	3,43,07,790	2,81,00,000	2,69,19,000	2,69,19,000	2,69,19,000	2,69,19,000
(b) Reserves and surplus	6	10,22,95,458	7,32,05,488	3,74,07,387	2,14,33,413	1,49,71,891	1,25,48,645
			10,13,05,488	6,43,26,387	4,83,52,413	4,18,90,891	3,94,67,645
<b>Share application money pending allotment</b>		-	-	-	-	-	-
<b>Non-current liabilities</b>							
(a) Long-term borrowings	7	5,94,48,729	6,27,42,376	4,92,84,755	3,04,52,801	2,29,62,263	2,44,93,294
(b) Deferred Tax liability (Net)	8	-	-	-	-	-	9,33,885
(c) Long-term provisions	9	20,77,345	17,77,345	7,15,579	-	-	-
		6,15,26,074	6,45,19,721	5,00,00,334	3,04,52,801	2,29,62,263	2,54,27,179
<b>Current liabilities</b>							
(a) Short-term borrowings	10	11,31,02,681	14,71,01,775	11,65,71,640	10,61,43,683	14,73,17,489	13,56,11,259
(b) Trade payables	11	7,27,95,971	6,41,98,750	6,73,55,342	6,57,80,120	6,89,69,271	6,22,57,547
(c) Other current liabilities	12	2,01,68,335	2,06,46,214	1,99,48,832	1,53,72,520	1,57,06,990	2,66,25,260
(d) Short-term provisions	13	86,813	86,813	38,165	-	-	-
		20,61,53,800	23,20,33,552	20,39,13,979	18,72,96,323	23,19,93,750	22,44,94,066
<b>TOTAL (1+2+3+4)</b>		<b>40,42,83,122</b>	<b>39,78,58,761</b>	<b>31,82,40,699</b>	<b>26,61,01,538</b>	<b>29,68,46,903</b>	<b>28,93,88,890</b>
<b>ASSETS</b>							
<b>Non-current assets</b>							
(a) Fixed assets	14						
(i) Tangible assets		14,57,12,074	14,85,39,588	10,71,17,036	4,95,91,709	5,21,67,866	6,26,09,952
(ii) Intangible assets		2,12,993	2,46,948	-	-	-	-
(iii) Capital work-in-progress		-	1,40,000	83,37,348	-	-	-
(b) Deferred Tax Assets	8	10,00,828	6,39,526	14,94,304	5,38,870	1,32,618	-
(c) Long-term loans and advances	15	1,02,56,428	47,48,086	46,79,810	3,64,41,028	3,65,91,028	3,50,52,339
(d) Other non-current assets	16	-	-	-	53,874	1,07,748	1,61,622
		15,71,82,323	15,43,14,148	12,16,28,498	8,66,25,481	8,89,99,260	9,78,23,913

<b>2</b>	<b>Current assets</b>						
	(a) Inventories	17	12,37,46,166	11,03,31,731	8,55,38,518	9,43,12,828	12,25,67,995
	(b) Trade receivables	18	9,41,55,967	10,54,11,657	8,67,16,559	7,19,05,545	5,35,12,425
	(c) Cash and cash equivalents	19	54,92,019	13,19,414	15,19,098	11,20,363	15,00,050
	(d) Balances with Bank other than (c)	20	1,73,29,615	1,72,94,484	1,25,59,897	1,10,75,941	1,22,01,239
	(e) Short-term loans and advances	21	63,77,032	91,87,326	1,02,78,130	10,61,380	17,83,268
			24,71,00,799	24,35,44,613	19,66,12,201	17,94,76,057	20,78,47,643
	<b>TOTAL (1+2)</b>		<b>40,42,83,122</b>	<b>39,78,58,761</b>	<b>31,82,40,699</b>	<b>26,61,01,538</b>	<b>28,93,88,890</b>

(Amount In Rs.)

<b>RESTATED STATEMENT OF PROFIT &amp; LOSS ACCOUNT</b>							
Particulars	Note No.	For the 3 months period ended	For the year ended				
			30.06.2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015
<b>A REVENUE</b>							
1 Revenue from operations (gross)	22	14,84,12,436	52,86,68,268	46,67,85,895	36,41,38,463	29,77,79,248	24,67,66,261
2 Other income	23	57,679	23,44,613	21,28,702	57,82,092	31,70,297	30,85,632
<b>3 Total revenue (1+2)</b>		<b>14,84,70,115</b>	<b>53,10,12,882</b>	<b>46,89,14,597</b>	<b>36,99,20,555</b>	<b>30,09,49,545</b>	<b>24,98,51,893</b>
<b>B EXPENSES</b>							
Cost of material consumed	24	8,76,41,151	29,23,19,882	29,92,12,380	19,77,09,441	21,43,16,933	14,54,96,288
Purchase of stock-in-trade	25	53,84,401	41,35,675	-	-	-	46,000
Changes in inventories of finished goods and work in progress	26	(1,49,41,988)	(3,06,17,177)	(1,72,56,115)	4,13,20,613	(3,61,71,855)	(73,46,425)
Employee benefit expenses	27	2,15,21,426	7,82,84,626	4,42,14,932	2,56,54,027	2,31,81,651	1,28,07,280
Finance Costs	28	50,81,347	2,47,56,714	1,85,18,725	2,21,07,317	2,31,44,589	1,57,71,192
Depreciation and amortisation expense	29	64,15,818	1,87,67,966	1,16,55,694	96,49,818	1,25,84,520	1,05,41,284
Other expenses	30	2,09,21,104	9,57,05,000	8,83,88,837	6,37,83,712	6,03,39,565	6,26,83,721
<b>4 Total expenses</b>		<b>13,20,23,258</b>	<b>48,33,52,685</b>	<b>44,47,34,453</b>	<b>36,02,24,928</b>	<b>29,73,95,402</b>	<b>23,99,99,340</b>
<b>5 Profit / (Loss) before tax (3-4)</b>		<b>1,64,46,857</b>	<b>4,76,60,197</b>	<b>2,41,80,144</b>	<b>96,95,627</b>	<b>35,54,143</b>	<b>98,52,553</b>
<b>6 Tax expense:</b>							
Current Tax		51,00,000	1,30,15,018	91,61,605	36,40,356	21,97,401	30,27,993
Deferred Tax (Asset)/Liability		(3,61,302)	8,54,778	(9,55,434)	(4,06,252)	(10,66,503)	16,446
<b>Total Tax Expenses</b>		<b>47,38,698</b>	<b>1,38,69,796</b>	<b>82,06,171</b>	<b>32,34,104</b>	<b>11,30,898</b>	<b>30,44,439</b>
<b>7 Profit / (Loss) after tax (5-6)</b>		<b>1,17,08,159</b>	<b>3,37,90,401</b>	<b>1,59,73,973</b>	<b>64,61,523</b>	<b>24,23,245</b>	<b>68,08,114</b>

(Amount In Rs.)

RESTATED CASH FLOW STATEMENT						
PARTICULARS	For the 3 months period ended	For the Year Ended				
	30.06.2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>A. Cash flow from operating activities :</b>						
Profit/ (Loss) before tax	1,64,46,857	4,76,60,197	2,41,80,144	96,95,627	35,54,143	98,52,553
<b>Adjustments for:</b>						
Depreciation & Amortisation	64,15,818-	1,87,67,966	1,16,01,820	95,95,944	1,25,30,646	1,04,87,410
Preliminary Expenses Written off	-		53,874	53,874	53,874	53,874
Finance Costs	50,81,347	2,47,56,714	1,85,18,725	2,21,07,317	2,31,44,589	1,57,71,192
Loss on Sale of Motor Car	-	9,51,136	-	1,05,922	-	-
Interest received	(39,035)	(16,17,775)	(20,48,214)	(30,79,740)	(11,51,587)	(19,23,559)
<b>Operating Profit before working capital changes</b>	<b>2,79,04,987</b>	<b>9,05,18,238</b>	<b>5,23,06,349</b>	<b>3,84,78,944</b>	<b>3,81,31,665</b>	<b>3,42,41,470</b>
<b>Adjustments for:-</b>						
(Increase)/ Decrease in Inventories	(1,34,14,435)	(2,47,93,214)	87,74,310	3,36,73,042	(54,17,875)	(5,74,59,274)
(Increase)/Decrease in Trade Receivables	1,12,55,690	(1,86,95,098)	(1,48,11,014)	(1,22,83,879)	(61,09,241)	(1,94,49,868)
(Increase)/Decrease in Loans and Other Advances	(36,70,760)	(28,504)	2,50,67,031	3,44,096	(9,63,143)	(2,86,54,485)
Increase/(Decrease) in Trade Payables, Other Current Liabilities and Provisions	84,34,243	(18,17,292)	69,05,278	(35,23,621)	(42,06,546)	4,26,85,023
<b>Cash generated from operations</b>	<b>3,05,09,725</b>	<b>4,51,84,131</b>	<b>7,82,41,954</b>	<b>5,66,88,583</b>	<b>2,14,34,860</b>	<b>(2,86,37,134)</b>
Net Income Tax (paid) / refunds	(41,27,290)	(1,19,43,630)	(1,16,84,168)	(35,64,272)	(23,21,239)	(31,77,977)
<b>Net cash from operating activities (A)</b>	<b>2,63,82,435</b>	<b>3,32,40,501</b>	<b>6,65,57,786</b>	<b>5,31,24,311</b>	<b>1,91,13,621</b>	<b>(3,18,15,111)</b>
<b>B. Cash flow from investing activities:</b>						
Sell / (Purchase) of PPE	(34,14,349)	(5,31,91,254)	(7,74,64,495)	(71,25,709)	(20,88,560)	(55,90,141)
Redemption / (Investment) in Fixed Deposit	(35,131)	(47,34,587)	(14,83,956)	69,11,569	(57,86,271)	1,51,04,527
Interest Income	39,035	16,17,775	20,48,214	30,79,740	11,51,587	19,23,559
<b>Net Cash (used in) / from investing activities (B)</b>	<b>(34,10,445)</b>	<b>(5,63,08,067)</b>	<b>(7,69,00,237)</b>	<b>28,65,600</b>	<b>(67,23,244)</b>	<b>1,14,37,945</b>
<b>C. Cash flow from financing activities :</b>						
Net Increase / (Decrease) in Short Term & Long Term Borrowing	(3,72,92,741)	4,39,87,756	2,92,59,911	(3,36,83,268)	1,01,75,199	3,70,48,882
Proceeds from Issue of Equity Shares	2,35,89,602	31,88,700	-	-	-	-
Finance Costs paid	(50,96,246)	(2,43,08,574)	(1,85,18,725)	(2,21,07,317)	(2,31,44,589)	(1,57,71,192)
<b>Net Cash used in financing activities</b>	<b>(1,87,99,385)</b>	<b>2,28,67,882</b>	<b>1,07,41,186</b>	<b>(5,57,90,585)</b>	<b>(1,29,69,390)</b>	<b>2,12,77,690</b>



<b>( C )</b>						
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>41,72,605</b>	<b>(1,99,683)</b>	<b>3,98,735</b>	<b>1,99,326</b>	<b>(5,79,013)</b>	<b>9,00,524</b>
Cash and cash equivalents (Opening Balance)	13,19,414	15,19,098	11,20,363	9,21,037	15,00,050	5,99,527
<b>Cash and cash equivalents (Closing Balance)</b>	<b>54,92,019</b>	<b>13,19,414</b>	<b>15,19,098</b>	<b>11,20,363</b>	<b>9,21,037</b>	<b>15,00,050</b>
<b>Components of Cash &amp; Cash Equivalent</b>						
a) Cash in Hand	1,93,236	1,27,959	1,73,781	2,66,585	5,06,817	11,27,555
b) Balance with Banks						
In Current Account	52,98,783	11,91,455	13,45,317	8,53,778	4,14,220	3,72,495
<b>Cash and cash equivalents (Closing Balance)</b>	<b>54,92,019</b>	<b>13,19,414</b>	<b>15,19,098</b>	<b>11,20,363</b>	<b>9,21,037</b>	<b>15,00,050</b>
<b>The Cash Flow has been prepared under Indirect method as per Accounting Standard -3 "Cash Flow Statements".</b>						

## IRIS CLOTHINGS LIMITED

### Annexure -4

#### RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

##### SIGNIFICANT ACCOUNTING POLICIES:

#### **1. CORPORATE INFORMATION:**

IRIS CLOTHINGS LIMITED was Incorporated on August 27, 2011 as a Private Limited company under the Companies Act, 1956, at Registrar of Companies, Kolkata. The Company was later on converted into a Public Company w.e.f. July 24, 2018. The Company is engaged in manufacturing of Readymade Garments.

#### **2. Basis of Preparation of Financial Statements:**

The restated summary statement of assets and liabilities of the Company as at June 30,2018 and March 31,2018, 2017, 2016, 2015 and 2014 and the related restated summary statement of profits and loss and restated summary statement of cash flows for the period ended June 30,2018 and financial year ended on March 31, 2018, 2017, 2016, 2015 and 2014 (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 June 30, 2018 and financial year ended on March 31 2018, 2017, 2016, 2015 and 2014, 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 National Stock Exchange of India Limited 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.

All assets and liabilities have been classified as current and non-current as per company's normal operating cycle and other criteria as set out in Schedule III to the Companies Act 2013. The company has ascertained its operating cycle as twelve months for the purpose of current and non-current classifications of assets & liabilities.

#### **Presentation and disclosure of financial statements**

With the effect from 1st April 2014, Schedule III notified under the Act, has become applicable to the company for the preparation and presentation of its financial statements. Accordingly, previous year's figures have been regrouped/reclassified wherever applicable. Appropriate reclassification/regrouping have been made in the Restated Standalone Financial information wherever required, to corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the presentation and recognition as per the audited financial statements of the Company and the requirement of SEBI Regulations. The financial statements are prepared in Indian rupees round off to the nearest rupee.

### 3. Use of Estimates

The preparation of the financial statements is in conformity with Generally Accepted Accounting principles require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of income and expenses during the year. Actual results may differ from those estimates. Difference between the actual results and the estimates are recognised in the year in which the results become known/materialise.

### 4. Revenue Recognition

Revenue from operations are recognized when there is certainty as to measurability and ultimate collectability.

- Sales of goods  
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- Export Incentives  
Revenue in respect of the export incentives is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.
- Interest  
Interest Income is recognized on the time proportion basis taking into account the amount outstanding and the rate applicable.
- Insurance and Other Claims  
Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof

### 5. Employees benefits

- Short term Employee Benefits:  
Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered.
- Post-Employment Benefits:
  - (a) Defined Contribution Plans:
    - Provident Fund  
Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense when an employee renders the related service.
  - (b) Defined Benefit Plans:
    - Gratuity  
The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.  
The liability for gratuity is provided on actuarial basis. The Present Value of the company's obligation is determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method and the fair value of plan assets is reduced from the gross obligations under the gratuity scheme to recognize the obligation on a net basis.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised in Statement of Profit & Loss Account.

#### **6. Property, Plant and Equipment (AS 10)**

Land is carried at cost. All others items of Property, Plant and Equipment are stated at cost, less accumulated depreciation. Cost comprises non-refundable taxes, duties, freight, borrowing costs and other incidental expenses related to the acquisition and installation of the respective assets. The same is in compliance with AS-10 to the extent applicable.

##### **Depreciation and Amortisation**

Depreciation on fixed assets is calculated on a WDV basis based on the rates prescribed under the Schedule XIV to the Companies Act 1956, up to March 31, 2014. During the year ended March 31, 2015, pursuant to Companies Act, 2013 applicable from April 1, 2014, management evaluated the estimates of useful lives of its fixed assets as per the requirements of Schedule II of the Companies Act, 2013 and depreciation has been provided as per WDV basis in accordance therewith.

#### **7. Impairment of Assets (AS 28):**

The company reviews the carrying amount of cash generating units / assets at reporting date to determine whether there is any indication of impairment. If such indication exists the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

#### **8. Intangible Assets (AS 26):**

Intangible Assets are recognised at consideration paid for acquisition and other direct costs that can be directly attributed or allocated on a reasonable and consistent basis. Intangible assets are stated at cost less accumulated amount of amortization.

#### **9. Inventories**

Inventories are valued at lower of cost or net realizable value. The cost includes cost of purchase, duties and taxes (to the extent not recoverable) and other costs incurred in bringing the inventories to their present location and condition. The cost of the various items of inventories are computed as under:

- Raw materials and stores and spares are valued at cost plus direct expenses and method of valuation is first in first out (FIFO).
- Work-in-Progress are valued at raw material cost plus conversion costs depending upon the stage of completion.
- Finished Goods are valued at raw material cost plus conversion costs, packing cost, and other overheads incurred to bring the goods to their present location and condition and method of valuation is first in first out (FIFO).

#### **10. Government Grants**

The government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are deducted from the cost of asset to which it relates. Government grants related to revenue are recognized in the statement of profit and loss as and when it is realized.

## 11. Foreign Currency Transaction:

- **Functional and Presentation currency**

The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupee.

- **Transaction and balances**

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The foreign currency monetary items are translated using the closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise.

## 12. Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease under which the risks and rewards incidental to ownership are not transferred to lessee is classified as operating lease. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term.

## 13. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 14. Earnings per Share

- Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- Diluted earnings per share is computed by taking into account weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares into equity shares.

## 15. Income Taxes

Provision for tax is made for current and deferred taxes. Current tax is determined as the amount of tax payable in respect of taxable income for the period using the applicable tax rates under the tax laws.

Deferred tax is recognized on timing difference, being the difference between taxable income and accounting income, that originates in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent years are recognised using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets other than in respect of carried forward losses or unabsorbed depreciation are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**16. Provisions, Contingent Liabilities and Contingent Assets**

- Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- Contingent Assets are neither recognized nor disclosed in the financial statements.

**17. Cash and Cash Equivalents**

The Cash Flow Statement is prepared by indirect method set in Accounting Standard-3 on cash flow statement and presents the cash flows by Operating, Investing and Finance activities of the company. Cash and cash equivalents presented in cash flow consists of cash in hand, cheques in hand, bank balances. The same is in compliance with AS-3 to the extent applicable.

**ANNEXURE -I: Restated Significant accounting policies and notes on Accounts**

<b>Annexure 5 : Share Capital As Restated</b>												
<b>5.1 : Share Capital</b>	<b>As at 30.06.2018</b>		<b>As at 31-03-2018</b>		<b>As at 31-03-2017</b>		<b>As at 31-03-2016</b>		<b>As at 31-03-2015</b>		<b>As at 31-03-2014</b>	
<b>Particulars</b>	<b>No of Shares</b>	<b>No of Shares</b>	<b>No of Shares</b>	<b>No of Shares</b>	<b>No of Shares</b>	<b>No of Shares</b>	<b>No of Shares</b>	<b>No of Shares</b>	<b>No of Shares</b>	<b>No of Shares</b>	<b>No of Shares</b>	<b>No of Shares</b>
<b>(a) Authorized</b>												
Ordinary Equity Shares of in Rs. 10/- each	1,60,00,000	30,00,000	30,00,000	30,00,000	30,00,000	30,00,000	30,00,000	30,00,000	30,00,000	30,00,000	30,00,000	30,00,000
<b>(b) Issued, Subscribed &amp; Paid Up</b>												
Ordinary Equity Shares of in Rs. 10/- each	34,30,779	28,10,000	28,10,000	26,91,900	26,91,900	26,91,900	26,91,900	26,91,900	26,91,900	26,91,900	26,91,900	26,91,900
<b>Total</b>	<b>34,30,779</b>	<b>28,10,000</b>	<b>28,10,000</b>	<b>26,91,900</b>	<b>26,91,900</b>	<b>26,91,900</b>	<b>26,91,900</b>	<b>26,91,900</b>	<b>26,91,900</b>	<b>26,91,900</b>	<b>26,91,900</b>	<b>26,91,900</b>

<b>5.2 :</b>	<b>Reconciliation of number of Ordinary shares outstanding</b>											
<b>Particulars</b>	<b>As at 30.06.2018</b>	<b>As at 31-03-2018</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>						
	<b>No of Shares</b>	<b>No of Shares</b>	<b>No of Shares</b>	<b>No of Shares</b>	<b>No of Shares</b>	<b>No of Shares</b>						
<b>Shares Outstanding at the beginning of the period</b>	28,10,000	26,91,900	26,91,900	26,91,900	26,91,900	26,91,900						
<b>Add</b>	6,20,779	1,18,100	-	-	-	-						
: Shares issued during the year*												
: Bonus Shares issued during the year												
: Shares bought back during the year	-	-	-	-	-	-						
<b>Less</b>												
<b>Shares Outstanding at the end of the year</b>	<b>34,30,779</b>	<b>28,10,000</b>	<b>26,91,900</b>	<b>26,91,900</b>	<b>26,91,900</b>	<b>26,91,900</b>						
*The Company has allotted 6,20,779 fully paid-up shares of face value Rs.10/- each during the period ended June 30, 2018 as on June 19, 2018, pursuant to issue was approved by shareholders resolution dated 9 <sup>th</sup> June 2018.												

**5.3 : Terms / rights attached to equity shares As Restated :**

- The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.
- The final dividend declared, if any, is subject to the approval of the members in the Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

Particulars	As at 30.06.2018			As at 31-03-2018			As at 31-03-2017			As at 31-03-2016			As at 31-03-2015			As at 31-03-2014		
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
Geeta Ladha	2207547	64.35	212860	75.75	210160	78.07	210160	78.07	210160	78.07	210160	78.07	210160	78.07	210160	78.07	210160	78.07
Santosh Ladha	345074	10.06	305600	10.88	265600	9.87	265600	9.87	265600	9.87	265600	9.87	265600	9.87	265600	9.87	265600	9.87
Santosh Ladha-HUF	186368	5.43	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Baldev Das Ladha-HUF	208000	6.06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Annexure 6 : Reserves & Surplus As Restated**

Particulars	As at						
	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014	
<b>6.1 : Securities Premium Reserve</b>							
Balance as at the beginning of the year	20,07,700	-	-	-	-	-	-
Add: Addition during the year	1,73,81,812	20,07,700	-	-	-	-	-
Less: Utilised for issue of bonus shares	0	-	-	-	-	-	-
<b>Balance as at the end of the year</b>	<b>1,93,89,512</b>	<b>20,07,700</b>					
<b>6.2 : Surplus in Statement of Profit and Loss</b>							
Balance as at the beginning of the year	7,11,97,788	3,74,07,387	2,14,33,413	1,49,71,891	1,25,48,645	57,40,531	
Add: Profit for the year	1,17,08,159	3,37,90,401	1,59,73,973	64,61,523	24,23,245	68,08,114	



	Balance as at the end of the year	8,29,05,946	7,11,97,788	3,74,07,387	2,14,33,413	1,49,71,891	1,25,48,645
	Total ( 5.1 + 5.2 )	10,22,95,458	7,32,05,488	3,74,07,387	2,14,33,413	1,49,71,891	1,25,48,645

Annexure 7 : Long Term Borrowings As Restated		As at						
		30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014	
<b>7.1</b>	<b>Secured Loans</b>							
(a)	<u>Rupee Term Loans From Banks &amp; others</u>							
	Principal outstanding	5,49,03,176	5,76,96,748	3,98,70,087	1,54,00,546	2,09,69,328	1,68,00,000	
	<b>Total (a)</b>	<b>5,49,03,176</b>	<b>5,76,96,748</b>	<b>3,98,70,087</b>	<b>1,54,00,546</b>	<b>2,09,69,328</b>	<b>1,68,00,000</b>	
	Amount disclosed under the head other current liabilities {Refer Annexure:12.1(a)}	1,17,51,610	1,16,03,727	55,30,459	12,26,490	67,66,233	78,41,000	
(b)	<u>Vehicle Loan</u>							
	Principal outstanding	45,45,553	50,45,628	32,38,137	4,22,688	-	3,19,777	
	<b>Total (b)</b>	<b>45,45,553</b>	<b>50,45,628</b>	<b>32,38,137</b>	<b>4,22,688</b>	<b>-</b>	<b>3,19,777</b>	
	Amount disclosed under the head other current liabilities {Refer Annexure:12.1(b)}	15,34,762	14,47,427	12,22,473	3,51,156	3,19,777	3,50,253	
	<b>Total (a + b)</b>	<b>5,94,48,729</b>	<b>6,27,42,376</b>	<b>4,31,08,224</b>	<b>1,58,23,234</b>	<b>2,09,69,328</b>	<b>1,71,19,777</b>	
<b>7.2</b>	<b>Unsecured Loans</b>							
	<u>Business Loans from Banks &amp; others</u>							
	Principal outstanding	-	-	61,76,531	1,46,29,567	19,92,935	73,73,517	
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>61,76,531</b>	<b>1,46,29,567</b>	<b>19,92,935</b>	<b>73,73,517</b>	
	Amount disclosed under the head other current liabilities {Refer Annexure:12.1(c)}	-	-	84,53,036	88,88,491	53,78,181	81,26,483	
	<b>Total ( 7.1 + 7.2 )</b>	<b>5,94,48,729</b>	<b>6,27,42,376</b>	<b>4,92,84,755</b>	<b>3,04,52,801</b>	<b>2,29,62,263</b>	<b>2,44,93,294</b>	

Annexure 8 : Deferred Tax (Assets) / Liability As Restated	
Particulars	As at

	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<u>Deferred Tax Liabilities</u>						
Related to depreciation on PPE	-10,00,828	-6,39,526	-14,94,304	-5,38,870	-1,32,618	9,33,885
<b>Total</b>	<b>-10,00,828</b>	<b>-6,39,526</b>	<b>-14,94,304</b>	<b>-5,38,870</b>	<b>-1,32,618</b>	<b>9,33,885</b>

**Annexure 9 : Long - Term Provisions As Restated**

Particulars	As at					
	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>Provision for Employees Benefits</b>						
Gratuity	20,77,345	17,77,345	7,15,579.00	-	-	-
	20,77,345	17,77,345	7,15,579	-	-	-
Amount disclosed under the head short-term provision (Refer Annexure :13.1)	86,813.00	86,813.00	38,165.00			

**Annexure 10 : Short Term Borrowings As Restated**

Particulars	As at					
	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
10.1 From Banks						
Balance with Bank in CC A/c	10,16,76,393	12,82,01,775	9,90,71,640	7,37,39,298	7,42,22,550	5,08,33,445
10.2 <u>Loan Repayable on Demand</u>						
Unsecured Loan - Other Body Corporates	1,14,26,288	1,45,00,000	1,75,00,000	3,24,04,385	7,29,67,718	8,15,42,440
Unsecured Loan - From Directors	-	44,00,000	-	-	1,27,221	32,35,374
<b>Total ( 10.1 + 10.2 )</b>	<b>11,31,02,681</b>	<b>14,71,01,775</b>	<b>11,65,71,640</b>	<b>10,61,43,683</b>	<b>14,73,17,489</b>	<b>13,56,11,259</b>

**Annexure 11 : Trade Payables As Restated**

Particulars	As at			
	30-06-2018	31-03-2018	31-03-2017	31-03-2016
11.1 From Micro, Small & Medium		-	-	-
11.2 Others				

	For - Goods	6,92,44,112	6,05,11,880	6,27,59,473	6,35,02,600	6,39,94,020	5,93,22,379
	For - Capital goods	-	-	-	-	4,68,220	6,88,500
	For- Others	35,51,859	36,86,870	45,95,869	22,77,520	45,07,031	22,46,668
	<b>Total ( 11.1 + 11.2 )</b>	<b>7,27,95,971</b>	<b>6,41,98,750</b>	<b>6,73,55,342</b>	<b>6,57,80,120</b>	<b>6,89,69,271</b>	<b>6,22,57,547</b>

Particulars		As at						
		30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014	
12.1	<b>Current Maturities of Long Term Debt</b>							
a)	<u>Rupee Term Loans From Banks &amp; Others</u>							
	Principal	1,13,18,370	1,11,55,588	55,30,459	12,26,490	67,66,233	78,41,000	
	Interest Accrued And Due	-	-	-	-	-	-	
	Interest Accrued But Not Due	4,33,240	4,48,139	-	-	-	-	
	Total (a)	1,17,51,610	1,16,03,727	55,30,459	12,26,490	67,66,233	78,41,000	
b)	<u>Vehicle Loan</u>							
	Principal	15,34,762	14,47,427	12,22,473	3,51,156	3,19,777	3,50,253	
	Interest Accrued And Due	-	-	-	-	-	-	
	Interest Accrued But Not Due	-	-	-	-	-	-	
	Total (b)	15,34,762	14,47,427	12,22,473	3,51,156	3,19,777	3,50,253	
c)	<u>Business Loans from Bank &amp; Others</u>							
	Principal	-	-	84,53,036	88,88,491	53,78,181	81,26,483	
	Interest Accrued And Due	-	-	-	-	-	-	
	Interest Accrued But Not Due	-	-	-	-	-	-	
	Total (c)	-	-	84,53,036	88,88,491	53,78,181	81,26,483	
	<b>Total (a+b+c)</b>	<b>1,32,86,372</b>	<b>1,30,51,154</b>	<b>1,52,05,968</b>	<b>1,04,66,137</b>	<b>1,24,64,191</b>	<b>1,63,17,736</b>	

<b>12.2 Other Payables</b>									
a)	Advances from Customers	-	40,000	6,366	8,04,020	16,613	86,70,628		
b)	Security Deposits from Customers	5,00,000	5,00,000	20,37,875	25,75,937	-	-		
<b>Liabilities for Expenses</b>									
c)	Salaries & Wages	41,36,280	49,34,172	19,88,671	4,26,769	19,28,837	4,16,735		
	Others	6,41,697	-	-	-	-	-		
<b>Statutory Dues Payable</b>									
d)	CST & VAT	-	-	-	49,169	2,35,630	-		
	ESI Payable	2,47,415	3,06,546	1,40,254	9,411	7,948	31,791		
	Provident Fund Payable	6,35,168	5,25,206	1,64,823	36,843	31,145	2,48,796		
	Profession Tax Payable	-	35,270	11,680	15,040	13,440	8,620		
	Tax Deducted at Source	7,21,403	12,33,509	3,93,195	9,89,194	10,09,186	9,30,954		
	Assessed Income Tax Liability A.Y.15-16	-	20,357	-	-	-	-		
	<b>Total (a+b+c+d)</b>	68,81,963	75,95,060	47,42,864	49,06,383	32,42,799	1,03,07,524		
	<b>Total ( 12.1 +12.2)</b>	<b>2,01,68,335</b>	<b>2,06,46,214</b>	<b>1,99,48,832</b>	<b>1,53,72,520</b>	<b>1,57,06,990</b>	<b>2,66,25,260</b>		

Annexure 13 : Short - Term Provisions As Restated		As at						
		30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014	
<b>Particulars</b>								
<b>13.1</b>	<b>Provision for Employees Benefits</b>							
	Gratuity	86,813	86,813	38,165	-	-	-	
	<b>Total 13.1</b>	<b>86,813</b>	<b>86,813</b>	<b>38,165</b>	-	-	-	
<b>13.2</b>	<b>Provision for taxation</b>							
	Income Tax Paid (Refer Annexure : 21)	1,97,29,333	1,46,29,336	1,66,13,680	74,52,075	68,54,434	46,57,033	
	<b>Total 13.2</b>	<b>1,97,29,333</b>	<b>1,46,29,336</b>	<b>1,66,13,680</b>	<b>74,52,075</b>	<b>68,54,434</b>	<b>46,57,033</b>	
	<b>Total 13.1+13.2</b>	<b>86,813</b>	<b>86,813</b>	<b>38,165</b>	-	-	-	

Annexure 14: FIXED ASSETS AS RESTATED						
Particulars	As at 30-06-2018	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014
<b>Tangible Assets</b>						
<b>Land</b>						
Land at Panchla	18,34,700	18,34,700.00	18,34,700.00			
<b>Buildings</b>						
Opening Block	7,12,23,115	5,82,88,914	-	-	-	-
Addition		1,29,34,201	5,82,88,914			
Deletion		-	-			
Gross Block	7,12,23,115	7,12,23,115	5,82,88,914			
Less : Accumulated Depreciation	57,88,107	41,40,445	-			
<b>Net Block</b>	<b>6,54,35,008</b>	<b>6,70,82,670</b>	<b>5,82,88,914</b>			
<b>Plant &amp; Machinery</b>						
Opening	10,68,62,475	7,40,51,975	7,25,22,642	6,65,01,533	6,51,67,411	6,06,86,809
Addition	14,02,835	3,28,10,500	15,29,333	99,96,109	13,34,122	44,80,602
Deletion	-	-	-	39,75,000	-	-
Gross Block	10,82,65,310	10,68,62,475	7,40,51,975	7,25,22,642	6,65,01,533	6,51,67,411
Less : Accumulated Depreciation	5,08,91,942	4,79,52,031	3,74,75,634	2,86,40,870	2,10,03,371	1,08,47,893
<b>Net Block</b>	<b>5,73,73,368</b>	<b>5,89,10,444</b>	<b>3,65,76,341</b>	<b>4,38,81,772</b>	<b>4,54,98,162</b>	<b>5,43,19,518</b>
<b>Furniture Fittings &amp; Office Equipments</b>						
Opening	1,83,78,511	97,44,423	84,01,773	83,37,513	77,08,149	69,47,195
Addition	17,85,805	86,34,088	13,42,650	64,260	6,29,364	7,60,954
Deletion		-	-			
Gross Block	2,01,64,316	1,83,78,511	97,44,423	84,01,773	83,37,513	77,08,149
Less : Accumulated Depreciation	83,55,768	75,03,315	54,86,510	45,24,439	34,33,740	20,98,511
<b>Net Block</b>	<b>1,18,08,548</b>	<b>1,08,75,196</b>	<b>42,57,913</b>	<b>38,77,334</b>	<b>49,03,773</b>	<b>56,09,638</b>
<b>Vehicles</b>						
Opening	1,10,33,836	89,83,373	32,38,313	25,72,449	25,72,449	23,20,449
Addition	-	92,09,293	57,45,060	10,79,786	-	2,52,000
Deletion		71,58,830	-	4,13,922		
Gross Block	1,10,33,836	1,10,33,836	89,83,373	32,38,313	25,72,449	25,72,449
Less : Accumulated Depreciation	32,47,432	25,08,206	34,16,925	19,55,302	14,39,853	9,01,797
<b>Net Block</b>	<b>77,86,404</b>	<b>85,25,630</b>	<b>55,66,448</b>	<b>12,83,011</b>	<b>11,32,596</b>	<b>16,70,652</b>
<b>Computers</b>						

Opening	34,00,293	24,84,306	20,97,816	18,29,262	17,04,188	7,04,702
Addition	3,65,709	13,62,015	3,86,490	2,68,554	1,25,074	9,99,486
Deletion	-	4,46,028	-	-	-	-
Gross Block	37,66,002	34,00,293	24,84,306	20,97,816	18,29,262	17,04,188
Less : Accumulated Depreciation	22,91,956	20,89,345	18,91,586	15,48,224	11,95,927	6,94,044
<b>Net Block</b>	<b>14,74,046</b>	<b>13,10,948</b>	<b>5,92,720</b>	<b>5,49,592</b>	<b>6,33,335</b>	<b>10,10,144</b>
<b>Total Tangible Assets</b>	<b>14,57,12,074</b>	<b>14,85,39,588</b>	<b>10,71,17,036</b>	<b>4,95,91,709</b>	<b>5,21,67,866</b>	<b>6,26,09,952</b>
<b>Intangible Assets</b>						
<b>Computer Software</b>						
Opening	4,14,200	-	-	-	-	-
Addition/(Deletion)	-	4,14,200	-	-	-	-
Gross Block	4,14,200	4,14,200	-	-	-	-
Less : Accumulated Depreciation	2,01,207	1,67,252	-	-	-	-
Net Block	2,12,993	2,46,948	-	-	-	-
<b>Total Intangible Assets</b>	<b>2,12,993</b>	<b>2,46,948</b>	-	-	-	-
<b>Total Assets (Net Block)</b>	<b>14,59,25,067</b>	<b>14,87,86,536</b>	<b>10,71,17,036</b>	<b>4,95,91,709</b>	<b>5,21,67,866</b>	<b>6,26,09,952</b>
<b>Total Accumulated Depreciation</b>	<b>7,07,76,412</b>	<b>6,43,60,594</b>	<b>4,82,70,655</b>	<b>3,66,68,835</b>	<b>2,70,72,891</b>	<b>1,45,42,245</b>
<b>Depreciation for the year (Net off Elimination)</b>	<b>64,15,818</b>	<b>1,60,89,939</b>	<b>1,16,01,820</b>	<b>95,95,944</b>	<b>1,25,30,646</b>	<b>1,04,87,410</b>
<b>Depreciation Charged in PL</b>						
<b>Depreciation capitalised</b>						
<b>Capital Work in Progress</b>						
(As taken, valued & certified by management)						
Opening	1,40,000	83,37,348	-	-	-	9,02,901.00
Addition	-	76,83,917	83,37,348	-	-	-
Transfer to Tangible Assets	1,40,000	1,58,81,265	-	-	-	9,02,901
Gross Block	-	1,40,000	83,37,347.90	-	-	-
Net Block	-	1,40,000	83,37,348	-	-	-
<b>Total Capital Work in Progress</b>	<b>-</b>	<b>1,40,000</b>	<b>83,37,348</b>	<b>-</b>	<b>-</b>	<b>-</b>

During the year ended March 31, 2015, pursuant to Companies Act, 2013 applicable from April 1, 2014, management evaluated the estimates of useful lives of its fixed assets as per the requirements of Schedule II of the Companies Act, 2013 and depreciation has been provided as per WDV basis in accordance therewith." Due to change in evaluation or estimates during the financial year ended March, 2015, the company has less recorded Rs. 30,16,827.00 on account of depreciation, due to which profit is increased by Rs. 30,16,827.00

<b>Annexure 15 : Long-term loans and advances As Restated</b>							
Particulars	As at						
	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014	
Capital Advance	53,69,320	-	-	-	-	-	
Security deposits	48,87,108	47,48,086	46,79,810	3,64,41,028	3,65,91,028	3,50,52,339	
<b>Total</b>	<b>1,02,56,428</b>	<b>47,48,086</b>	<b>46,79,810</b>	<b>3,64,41,028</b>	<b>3,65,91,028</b>	<b>3,50,52,339</b>	

<b>Annexure 16 : Other Non Current Assets As Restated</b>							
Particulars	As at						
	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014	
16.1 Preliminary Expenses							
Opening Balance		-	53,874	1,07,748	1,61,622	2,15,496	
Add: Expenses incurred during the year	-	-	-	-	-	-	
Less: W/o during the year		-	53,874	1,07,748	1,61,622	2,15,496	
<b>Total (16.1)</b>	<b>-</b>	<b>-</b>	<b>53,874</b>	<b>53,874</b>	<b>53,874</b>	<b>53,874</b>	
				<b>53,874</b>	<b>1,07,748</b>	<b>1,61,622</b>	

<b>Annexure 17 : Inventories As Restated</b>							
Particulars	As at						
	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014	
Raw Materials	53,61,503	75,87,549	1,45,82,612	3,91,89,341	3,40,74,150	6,56,62,209	
Work-in-Progress	4,86,80,543	4,64,81,649	3,07,06,485	2,73,05,242	4,27,28,070	2,82,61,568	
Finished Goods	6,25,17,444	4,97,74,349	3,49,32,337	2,10,77,465	4,69,75,250	2,52,69,897	
Stores & Spares Parts, etc	71,86,676	64,88,184	53,17,084	67,40,779	42,08,400	33,74,321	
<b>Total</b>	<b>12,37,46,166</b>	<b>11,03,31,731</b>	<b>8,55,38,518</b>	<b>9,43,12,828</b>	<b>12,79,85,870</b>	<b>12,25,67,995</b>	

<b>Annexure 18 : Trade receivables As Restated</b>						
<b>Particulars</b>	<b>As at</b>					
	<b>30-06-2018</b>	<b>31-03-2018</b>	<b>31-03-2017</b>	<b>31-03-2016</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
18.1 Trade Receivables outstanding for a period exceeding six months from the date they are due for payment	35,432	79,432	2,34,880	2,27,392	-	-
18.2 Others	9,41,20,535	10,53,32,225	8,64,81,679	7,16,78,153	5,96,21,666	5,35,12,425
18.3 <b>Gross Trade Receivables</b>	9,41,55,967	10,54,11,657	8,67,16,559	7,19,05,545	5,96,21,666	5,35,12,425
18.4 Less : Provision for doubtful Trade receivables	-	-	-	-	-	-
<b>Net Trade Receivables Total (18.3 - 18.4)</b>	<b>9,41,55,967</b>	<b>10,54,11,657</b>	<b>8,67,16,559</b>	<b>7,19,05,545</b>	<b>5,96,21,666</b>	<b>5,35,12,425</b>
<b>Classification of Trade Receivables</b>						
Unsecured, considered good	9,41,55,967	10,54,11,657	8,67,16,559	7,19,05,545	5,96,21,666	5,35,12,425
Doubtful	-	-	-	-	-	-
<b>Gross Trade Receivables</b>	<b>9,41,55,967</b>	<b>10,54,11,657</b>	<b>8,67,16,559</b>	<b>7,19,05,545</b>	<b>5,96,21,666</b>	<b>5,35,12,425</b>

<b>Annexure 19 : Cash and cash equivalents As Restated</b>						
<b>Particulars</b>	<b>As at</b>					
	<b>30-06-2018</b>	<b>31-03-2018</b>	<b>31-03-2017</b>	<b>31-03-2016</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
19.1 Cash in hand (as certified by the Management)	1,93,236	1,27,959	1,73,781	2,66,585	5,06,817	11,27,555
19.2 <u>Balance with banks</u>						
in Current Account	52,98,783	11,91,455	13,45,317	8,53,778	4,14,220	3,72,495
<b>Total (19.1 + 19.2)</b>	<b>54,92,019</b>	<b>13,19,414</b>	<b>15,19,098</b>	<b>11,20,363</b>	<b>9,21,037</b>	<b>15,00,050</b>

<b>Annexure 20 : Balances With Bank other than Annexure 18.2 As Restated</b>						
<b>Particulars</b>	<b>As at</b>					
	<b>30-06-2018</b>	<b>31-03-2018</b>	<b>31-03-2017</b>	<b>31-03-2016</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
Balances with Banks						
In Term Deposit Account	1,73,29,615	1,72,94,484	1,25,59,897	1,10,75,941	1,79,87,510	1,22,01,239
(Under lien for facilities enjoyed from bank)	1,73,29,615	1,72,94,484	1,25,59,897	1,10,75,941	1,79,87,510	1,22,01,239



Annexure 21 : Short-term loans and advances As Restated							
Particulars	As at						
	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014	
21.1							
<u>Balances with government authorities</u>							
<u>Unsecured, considered good</u>							
<u>Income Tax Paid (including TDS &amp; TCS Receivables) Net of Provisions</u>							
(a)	1,98,88,021	1,58,88,021	1,86,88,021	70,93,621	65,43,621	43,93,621	
Advance Tax	-	70,448	-	-	-	-	
TCS Receivable	4,38,424	2,40,689	5,46,512	4,56,744	4,85,187	3,13,948	
TDS Receivables	2,03,26,445	1,61,99,158	1,92,34,533	75,50,365	70,28,808	47,07,569	
Less: Provisions for Income Tax (Refer Annexure : 13.2)	1,97,29,333	1,46,29,336	1,66,13,680	74,52,075	68,54,434	46,57,033	
Total (a)	5,97,112	15,69,822	26,20,853	98,290	1,74,374	50,536	
(b)	26,32,300	23,87,793	-	-	-	-	
GST Input Balance	-	-	-	-	-	2,12,155	
Duty Drawback Receivable	-	-	54,145	1,01,947	-	1,18,950	
VAT Input Balance	-	-	26,74,998	2,00,237	1,74,374	3,81,641	
Total (a + b)	32,29,412	39,57,614	26,74,998	2,00,237	1,74,374	3,81,641	
21.2							
<u>Others</u>							
<u>Unsecured, considered good</u>							
Advance given to parties	29,79,000	50,54,320	73,71,588	20,807	2,59,959	6,37,369	
Other Receivables	1,120	80,892	1,15,258	8,31,885	8,70,776	7,16,758	
Advance to Staff	1,67,500	94,500	1,16,286	8,451	26,451	47,500	
Total (21.2)	31,47,620	52,29,712	76,03,132	8,61,143	11,57,186	14,01,627	
<b>Total (21.1+21.2)</b>	<b>63,77,032</b>	<b>91,87,326</b>	<b>1,02,78,130</b>	<b>10,61,380</b>	<b>13,31,560</b>	<b>17,83,268</b>	

<b>Annexure 22 : Revenue from operations As Restated</b>						
<b>Particulars</b>	<b>For the Period Ended On</b>					
	<b>30-06-2018</b>	<b>31-03-2018</b>	<b>31-03-2017</b>	<b>31-03-2016</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
<b>22.1</b>						
<b>Gross Sales</b>						
<u>Sale of Goods (Garments)</u>						
- Export	-	-	-	2,59,44,695	2,26,94,598	1,35,56,946
- Deemed Export	-	-	20,82,000	11,68,320	17,52,480	70,15,288
- Traded goods	26,29,115	41,35,675	-	-	-	46,000
-Raw Material	27,76,859	94,75,771	2,18,96,873	72,44,668	2,57,36,809	3,20,26,150
- Others	14,33,58,922	51,44,15,297	44,40,60,631	32,86,88,584	24,63,93,000	19,32,04,739
Total (22.1)	14,87,64,896	52,80,26,743	46,80,39,504	36,30,46,267	29,65,76,887	24,58,49,123
<b>22.2</b>						
Other Operating Revenue	1,62,946	12,18,473	3,55,970	17,84,224	17,21,691	9,17,138
Total (22.2)	1,62,946	12,18,473	3,55,970	17,84,224	17,21,691	9,17,138
<b>Total Gross Sales (22.2 + 22.1)</b>	<b>14,89,27,842</b>	<b>52,92,45,216</b>	<b>46,83,95,474</b>	<b>36,48,30,491</b>	<b>29,82,98,578</b>	<b>24,67,66,261</b>
Less: Trade Discount	5,15,406	5,76,947	16,09,579	6,92,029	5,19,330	-
<b>Total</b>	<b>14,84,12,436</b>	<b>52,86,68,268</b>	<b>46,67,85,895</b>	<b>36,41,38,463</b>	<b>29,77,79,248</b>	<b>24,67,66,261</b>

<b>Annexure 23 : Other income As Restated</b>						
<b>Particulars</b>	<b>For the Period Ended On</b>					
	<b>30-06-2018</b>	<b>31-03-2018</b>	<b>31-03-2017</b>	<b>31-03-2016</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
Discount Received	12,584	3,80,796	80,488	2,15,905	1,13,843	61,016
Interest Received	39,035	11,38,340	8,15,837	14,02,423	11,51,587	19,23,559
Interest Subsidy (TUFs) Received		4,79,435	12,32,377	16,77,317	-	-
Insurance Claim Received	6,060	3,46,043	-	-	-	-
Duty Drawback		-	-	19,96,226	18,05,208	11,01,056
Godown Charges		-	-	-	20,000	-
Foreign Exchange Fluctuation Gain		-	-	4,90,221	79,659	-
<b>Total</b>	<b>57,679</b>	<b>23,44,613</b>	<b>21,28,702</b>	<b>57,82,092</b>	<b>31,70,297</b>	<b>30,85,632</b>

Annexure 24 : Cost of materials consumed As Restated:									
Particulars	For the Period Ended On								
	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014			
24.1 Inventories at the beginning of the year	75,87,549	1,45,82,612	3,91,89,341	3,40,74,150	6,56,62,209	1,73,34,990			
Add: Purchases	8,54,15,105	28,53,24,818	27,46,05,650	20,28,24,633	18,27,28,873	19,38,23,507			
Less: Inventories at the end of the year	9,30,02,654	29,99,07,430	31,37,94,992	23,68,98,783	24,83,91,083	21,11,58,497			
<b>Cost of Materials Consumed</b>	5361503	75,87,549	1,45,82,612	3,91,89,341	3,40,74,150	6,56,62,209			
<b>Total (24.1)</b>	<b>8,76,41,151</b>	<b>29,23,19,882</b>	<b>29,92,12,380</b>	<b>19,77,09,441</b>	<b>21,43,16,933</b>	<b>14,54,96,288</b>			
24.2 <b>Details of Material Consumed</b>									
Knitted Dyed Fabrics	8,76,41,151	29,23,19,882	29,72,98,979	19,77,09,441	21,43,16,933	14,54,96,288			
Woven Fabrics	-	-	14,64,313	-	-	-			
Knitted Fabrics Grey	-	-	4,49,088	-	-	-			
<b>Total (24.2)</b>	<b>8,76,41,151</b>	<b>29,23,19,882</b>	<b>29,92,12,380</b>	<b>19,77,09,441</b>	<b>21,43,16,933</b>	<b>14,54,96,288</b>			
24.3 <b>Details of Closing Stock of Materials</b>									
Knitted Dyed Fabrics	53,61,503	69,70,758	1,45,82,612	3,72,75,941	2,64,01,586	6,56,62,209			
Woven Fabrics	0	6,16,791	-	14,64,313	-	-			
Knitted Fabrics Grey	-	-	-	4,49,088	76,72,564	-			
<b>Total (24.3)</b>	<b>53,61,503</b>	<b>75,87,549</b>	<b>1,45,82,612</b>	<b>3,91,89,342</b>	<b>3,40,74,150</b>	<b>6,56,62,209</b>			

Annexure 25 : Purchase of Stock in Trade As Restated:					
Particulars	For the Period Ended On				
	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2014
Readymade Garments	53,84,401	41,35,675	-	-	46,000
	<b>53,84,401</b>	<b>41,35,675</b>	<b>-</b>	<b>-</b>	<b>46,000</b>

Annexure 26 : Changes in inventories of finished goods and work-in-progress As Restated						
Particulars	For the Period Ended On					
	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>26.1</b>						
<b>Change in Finished Goods</b>						
Opening Stock of Finished Goods:	4,97,74,349	3,49,32,337	2,10,77,465	4,69,75,250	2,52,69,897	3,73,26,520
Less : Closing Stock of Finished Goods:	6,25,17,444	4,97,74,349	3,49,32,337	2,10,77,465	4,69,75,250	2,52,69,897
<b>Total (26.1)</b>	<b>(1,27,43,095)</b>	<b>(1,48,42,013)</b>	<b>(1,38,54,872)</b>	<b>2,58,97,785</b>	<b>(2,17,05,353)</b>	<b>1,20,56,623</b>
<b>Details of Closing Stock of Finished Goods</b>						
Readymade Garments	6,25,17,444	4,97,74,349	3,49,32,337	2,10,77,465	4,69,75,250	2,52,69,897
<b>26.2</b>						
<b>Changes in Work in Progress</b>						
Opening Stock of WIP:	4,64,81,649	3,07,06,485	2,73,05,242	4,27,28,070	2,82,61,568	88,58,520
Less : Closing Stock of WIP:	4,86,80,543	4,64,81,649	3,07,06,485	2,73,05,242	4,27,28,070	2,82,61,568
<b>Total (26.2)</b>	<b>(21,98,894)</b>	<b>(1,57,75,164)</b>	<b>(34,01,243)</b>	<b>1,54,22,828</b>	<b>(1,44,66,502)</b>	<b>(1,94,03,048)</b>
<b>Total (26.1 + 26.2)</b>	<b>(1,49,41,988)</b>	<b>(3,06,17,177)</b>	<b>(1,72,56,115)</b>	<b>4,13,20,613</b>	<b>(3,61,71,855)</b>	<b>(73,46,425)</b>
<b>26.3</b>						
<b>Details of Closing Stock of WIP</b>						
Readymade Garments (WIP)	4,86,80,543	4,64,81,649	3,07,06,485	2,73,05,242	4,27,28,070	2,82,61,568

Annexure 27 : Employee Benefit Expenses As Restated						
Particulars	For the Period Ended On					
	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Salaries , Wages, Exgratia & Bonus	2,02,49,120	7,34,47,092	4,20,91,851	2,52,08,637	2,25,95,703	1,23,00,818
Staff Welfare expenses	67,761	3,78,883	3,31,048	1,33,578	98,033	51,185
Employers Contribution to E.S.I	5,46,299	18,70,951	4,47,192	81,228	3,22,428	2,06,481
Employers Contribution to P.F.	3,58,246	14,77,286	5,91,097	2,30,584	1,65,487	2,48,796
Contribution to Gratuity Fund	3,00,000	11,10,414	7,53,744	-	-	-
<b>Total</b>	<b>2,15,21,426</b>	<b>7,82,84,626</b>	<b>4,42,14,932</b>	<b>2,56,54,027</b>	<b>2,31,81,651</b>	<b>1,28,07,280</b>

Annexure 28 : Finance Costs As Restated						
Particulars	For the Period Ended On					
	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Interest Expense	50,62,597	2,33,98,543	1,75,78,342	2,11,60,943	2,25,95,207	1,53,97,372
Finance Charges	18,750	13,58,170	9,40,383	9,46,375	5,49,382	3,73,820
<b>Total</b>	<b>50,81,347</b>	<b>2,47,56,714</b>	<b>1,85,18,725</b>	<b>2,21,07,317</b>	<b>2,31,44,589</b>	<b>1,57,71,192</b>

Annexure 29 : Depreciation and Amortization Expenses As Restated						
Particulars	For the Period Ended On					
	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Depreciation	64,15,818	1,87,67,966	1,16,01,820	95,95,944	1,25,30,646	1,04,87,410
Preliminary Expenses written off		-	53,874	53,874	53,874	53,874
<b>Total</b>	<b>64,15,818</b>	<b>1,87,67,966</b>	<b>1,16,55,694</b>	<b>96,49,818</b>	<b>1,25,84,520</b>	<b>1,05,41,284</b>

Annexure 30 : Other Expenses As Restated						
Particulars	For the Period Ended On					
	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
(a) Consumption of Stores & Spare parts	44,22,401	1,87,72,336	1,88,71,084	1,48,56,669	1,39,24,300	1,19,11,894
(b) Electricity Charges	24,84,334	73,86,965	52,72,267	36,78,992	31,29,289	25,57,410
(c) Rent-Factory Land , Buildings & Machine	20,10,987	85,57,425	87,05,413	97,87,385	86,16,558	83,56,814
(d) Repair & Maintenance	6,59,694	41,24,736	33,87,634	28,09,981	10,89,425	6,33,454
(e) Insurance	1,77,939	7,30,015	5,64,968	4,29,607	1,87,735	2,41,181
(g) Rates, Taxes, excluding taxes on income	10,78,410	3,89,703	4,69,403	1,72,873	70,526	1,08,934
(h) Manufacturing Expenses	57,13,157	2,42,26,468	3,27,89,997	1,98,88,880	2,42,32,211	2,62,59,511
(i) Miscellaneous Expenses						
Bank Charges	34,572	2,14,326	1,62,125	1,82,957	1,17,353	5,07,331
Brokerage & Commission	1,76,738	1,24,93,729	85,38,035	31,74,952	18,03,810	18,07,573
Carriage Outward	10,89,217	42,56,492	33,37,269	25,64,094	22,07,999	16,34,798
Computer & Internet Expenses	7,117	19,743	57,887	2,42,782	47,101	81,900
Conveyance Expenses	59,008	1,55,506	1,59,302	1,21,230	33,031	28,025
Discount Allowed (Cash Discount)	9,21,269	29,66,455	4,58,117	2,64,829	1,02,256	22,341

	Foreign Exchange Fluctuation Loss	4,614	-	-	-	-	-	-	25,37,113
	Freight, Customs ,Clearing & Forwarding	-	5,55,684	-	-	8,45,692	9,79,122	7,44,326	
	General Expenses	23,986	4,72,826	2,43,261	2,80,465	63,337	50,006		
	Legal & Professional Charges	6,89,180	23,05,850	11,41,121	5,09,929	4,84,508	6,51,749		
	Loss for Contracts	-	-	-	-	-	-	15,00,000	
	Loss on Sale of Assets (Car)	-	9,51,136	-	-	1,05,922	-	-	
	Loss on Transit of Goods	-	-	-	-	32,538	-	-	
	Membership & Subscription fees	17,800	85,578	-	-	-	-	-	
	Postage & Courier	14,844	38,645	1,01,187	68,675	86,334	29,135		
	Printing & Stationery	39,701	1,32,403	1,71,514	97,528	94,031	1,07,421		
	Royalty Paid	4,77,200	6,39,672	-	-	-	-	-	
	Sales Promotion Expenses	49,250	13,91,389	3,73,870	1,25,789	79,541	1,67,841		
	Security Guard Expenses	88,776	4,45,727	2,08,938	1,72,697	1,48,313	1,34,441		
	Telephone Expenses	37,094	2,59,336	2,17,562	1,95,791	1,66,475	1,77,514		
	Travelling Expenses (incl. Foreign travelling )	3,22,539	37,39,272	28,09,105	28,11,173	24,09,636	22,53,903		
	Vehicle Running Expenses	2,83,777	3,68,582	3,23,777	3,37,281	2,41,673	1,54,105		
(i)	<b>Payment to Auditors</b>								
	- For Statutory Audit	37,500	10,000	10,000	10,000	10,000	10,000	10,000	
	- For Tax Audit	-	15,000	15,000	15,000	15,000	15,000	15,000	
	<b>Total</b>	<b>2,09,21,104</b>	<b>9,57,05,000</b>	<b>8,83,88,837</b>	<b>6,37,83,712</b>	<b>6,03,39,565</b>	<b>6,26,83,721</b>		

Annexure 31 : Earnings per share									
Particulars	Calculation	As at							
		30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014		
a)	Basic Earning per share	Restated PAT attributable to Equity Shareholders	1,17,08,159	3,37,90,401	1,59,73,973	64,61,523	24,23,245	68,08,114	
		Weighted Average Number of Equity Shares outstanding	2891861	27,70,633	26,91,900	26,91,900	26,91,900	26,91,900	
		Basic Earnings Per Share of Rs. 10/- each fully paid up	4.05	12.20	5.93	2.40	0.90	2.53	
b)	Diluted Earning per share	Restated PAT attributable to Equity Shareholders	1,17,08,159	3,37,90,401	1,59,73,973	64,61,523	24,23,245	68,08,114	
		Weighted Average Number of Equity Shares outstanding	28,91,861	27,70,633	26,91,900	26,91,900	26,91,900	26,91,900	
		Basic Earnings Per Share of Rs. 10/- each fully paid up	4.05	12.20	5.93	2.40	0.90	2.53	

32 NOTES ON RESTATED FINANCIAL STATEMENTS AS RESTATED									
32.1	Reconciliation of Restated Profit								
The summary of results of restatement made to the audited financial statements for the respective years and its impact on the profit / (loss) of the Company is as below : -									
		As At							
	Particulars	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014		
	A) Net profit/(loss) as per audited statement of profit & loss	1,17,08,158	3,30,97,610	1,67,27,717	64,46,801	24,55,913	68,08,114		
	B) Adjustments								
	Excess/Short Provision for Income Tax*	-	(60,953)	-	14,722	(32,668)	-		
	Excess/Short Provision for Gratuity Liability**	-	7,53,744	(7,53,744)	-	-	-		
	<b>Restated Net Profit</b>	<b>1,17,08,158</b>	<b>3,37,90,401</b>	<b>1,59,73,973</b>	<b>64,61,523</b>	<b>24,23,245</b>	<b>68,08,114</b>		
	*Amounts relating to the Prior Period have been adjusted in the year to with the same is related.								





B) Capital Commitments		As At					
		30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
	Particulars						
	Capital Commitments	6,73,27,831	-	-	-	-	-
c)	<b>Disclosure under Accounting Standard 15:</b> Provisions for liabilities in respect of gratuity benefits are made based on actuarial valuation report and same is recognized as an expense in the Statement of Profit and Loss. The Present Value of the company's obligation is determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method and the fair value of plan assets is reduced from the gross obligations under the gratuity scheme to recognize the obligation on a net basis. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.						
d)	<b>Micro, Small &amp; Medium Enterprises Development Act, 2006:</b> As per the explanation given by the management, the company owes no dues to any company/entity that are required to be furnished u/s 22 of the Micro Small and Medium Enterprise. This has been relied upon by the auditors.						
e)	<b>Segment Reporting</b> The company operates in single reportable business segment of manufacturing of readymade garments business.						
f)	Figures have been rounded off to the nearest rupee.						

Annexure 32.3									
RELATED PARTY TRANSACTIONS									
(j) List of related parties :									
(a) Key Management Personnel:									
	- Mrs. Geeta Ladha		Director						
	- Mr. Baldev Das Ladha		Director						
SI.No.	Name of the Company/ LLP/Individual	Relationship							
1	Iris Fashions Pvt. Ltd.	Common Director							
2	Iris Apparels Pvt. Ltd.	Common Share holding							
3	Santosh Ladha	Share Holder							
4	Kamla Devi Ladha	Share Holder							
<u>Related Party Transactions :</u>									
<u>For the Financial year ended 30th June, 2018</u>									
Sl.	Name of the party	Nature of Relation	Nature of Transaction	Opening Balance As on 01.04.2018 (Rs)		Credit(Rs.)	Debit (Rs.)	(Payable)/ Receivable	
				Debit	Credit			As on 30.06.2018	
1	Iris Fashions Pvt. Ltd.	Common Director	Machine Hire charges	-	-	1,95,000	1,95,000	-	
2	Iris Apparels Pvt. Ltd.	Common Share holding	Machine Hire charges			1,35,000	1,35,000	-	
3	Mrs. Geeta Ladha	Director	Director's Remuneration	-	4,50,000	12,90,000	12,60,000	(4,80,000)	
4	Mrs. Geeta Ladha	Director	Loan From Director	-	30,50,000	-	30,50,000	-	
5	Mr. Baldev Das Ladha	Director	Director's Remuneration	-	3,90,000	12,30,000	12,60,000	(3,60,000)	
6	Mr. Baldev Das Ladha	Director	Loan From Director	-	13,50,000	2,00,000	15,50,000	-	
7	Mr. Santosh Ladha	Share Holder	Salary	-	-	-	-	(3,00,000)	

								3,15,000	15,00,000	15,15,000	
8	Mrs. Kamala Devi Ladhya	Share Holder		Salary		-	80,000	2,70,000	2,60,000	(90,000)	
<b>For the Financial year ended 2017-18</b>											
<b>Sl.No.</b>	<b>Name of the party</b>	<b>Nature of Relation</b>	<b>Nature of Transaction</b>		<b>Opening Balance Debit</b>	<b>Opening Balance Credit</b>		<b>Credit</b>	<b>Debit</b>	<b>(Payable)/Receivable</b>	<b>As on 31-03-18</b>
1	Iris Fashions Pvt. Ltd.	Common Director	Machine Hire charges		-	-	7,80,000	7,80,000		-	
2	Iris Apparels Pvt. Ltd.	Common Share holding	Machine Hire charges				5,40,000	5,40,000		-	
3	Mrs. Geeta Ladhya	Managing Directors	Director's Remuneration		-	-	72,00,000	67,50,000		(4,50,000)	
4	Mrs. Geeta Ladhya	Managing Directors	Loan From Director		-	-	30,91,014	41,014		(30,50,000)	
5	Mr. Baldev Das Ladhya	Director	Director's Remuneration		-	-	72,00,000	68,10,000		(3,90,000)	
6	Mr. Baldev Das Ladhya	Director	Loan From Director		-	-	22,81,516	9,31,516		(13,50,000)	
7	Mr. Santosh Ladhya	Share Holder	Salary		-	-	84,00,000	80,85,000		(3,15,000)	
8	Mrs. Kamala Devi Ladhya	Share Holder	Salary		-	-	9,30,000	8,50,000		(80,000)	
<b>For the Financial year ended 2016-17</b>											
<b>Sl.No.</b>	<b>Name of the party</b>	<b>Nature of Relation</b>	<b>Nature of Transaction</b>		<b>Opening Balance Debit</b>	<b>Opening Balance Credit</b>		<b>Credit</b>	<b>Debit</b>	<b>(Payable)/Receivable</b>	<b>As on 31-03-17</b>
1	Iris Fashions Pvt. Ltd.	Common Director	Machine Hire charges		-	-	7,80,000	7,80,000		-	
2	Iris Apparels Pvt. Ltd.	Common Share holding	Machine Hire charges				5,40,000	5,40,000		-	
3	Iris Fashions Pvt. Ltd.	Common Director	Purchase/Sale		-	31,07,766	1,45,70,020	1,14,62,254		-	
4	Iris Apparels Pvt. Ltd.	Common Share	Purchase/Sale			-				-	

		holding		13,43,622		54,99,251	68,42,873	
5	Mrs. Geeta Ladha	Managing Directors	Director's Remuneration	-	-	42,00,000	42,00,000	-
6	Mr. Baldev Das Ladha	Director	Director's Remuneration	-	-	42,00,000	42,00,000	-
7	Mr. Santosh Ladha	Share Holder	Salary	-	-	66,00,000	66,00,000	-
8	Mrs. Kamala Devi Ladha	Share Holder	Salary	-	-	3,60,000	3,60,000	-
<b>For the Financial year ended 2015-16</b>								
<b>Sl.No.</b>	<b>Name of the party</b>	<b>Nature of Relation</b>	<b>Nature of Transaction</b>	<b>Opening Balance</b>		<b>Credit</b>	<b>Debit</b>	<b>(Payable)/ Receivable</b>
				<b>Debit</b>	<b>Credit</b>			<b>As on 31-03-16</b>
				<b>As on 01-04-15</b>				
1	Iris Fashions Pvt. Ltd.	Common Director	Machine Hire charges	-	-	4,80,000	4,80,000	-
2	Iris Apparels Pvt. Ltd.	Common Share holding	Machine Hire charges			3,00,000	3,00,000	-
3	Iris Fashions Pvt. Ltd.	Common Director	Purchase/Sale	(12,53,552)	-	53,77,947	72,32,161	(31,07,766)
4	Iris Apparels Pvt. Ltd.	Common Share holding	Purchase/Sale	1,31,304	-	98,26,539	86,14,221	13,43,622
5	Mrs. Geeta Ladha	Managing Directors	Director's Remuneration	-	-	21,00,000	21,00,000	-
6	Mr. Baldev Das Ladha	Director	Director's Remuneration	-	-	15,75,000	15,75,000	-
7	Mr. Santosh Ladha	Share Holder	Salary	-	-	21,00,000	21,00,000	-
<b>For the Financial year ended 2014-15</b>								
<b>Sl.No.</b>	<b>Name of the party</b>	<b>Nature of Relation</b>	<b>Nature of Transaction</b>	<b>Opening Balance</b>		<b>Credit</b>	<b>Debit</b>	<b>(Payable)/ Receivable</b>
				<b>Debit</b>	<b>Credit</b>			<b>As on 31-03-15</b>
				<b>As on 01-04-14</b>				<b>As on 31-03-15</b>
1	Iris Fashions Pvt. Ltd.	Common Director	Purchase/Sale		-			(12,53,552)

					74,95,484		5,61,819	93,10,855	
2	Iris Apparels Pvt. Ltd.	Common Share holding	Purchase/Sale	10,59,209	-	69,97,940	79,25,845	1,31,304	
3	Mrs. Geeta Ladha	Managing Directors	Director's Remuneration	-	-	21,00,000	21,00,000	-	
4	Mr. Baldev Das Ladha	Director	Director's Remuneration	-	-	12,00,000	12,00,000	-	
5	Mr. Santosh Ladha	Share Holder	Salary	-	-	21,00,000	21,00,000	-	
6	Mr. Santosh Ladha	Share Holder	Purchase/Sale	-	-	17,612	17,612	-	
7	Mr. Rajesh Kumar Rathi	Share Holder	Loan/Advances	-	7,72,275	8,61,376	89,101	-	
8	Ms. Rashmi Devi Rathi	Share Holder	Loan/Advances	-	12,87,125	14,35,624	1,48,499	-	
<b>For the financial year ended 2013-14</b>									
<b>Sl.No.</b>	<b>Name of the party</b>	<b>Nature of Relation</b>	<b>Nature of Transaction</b>	<b>Opening Balance</b>	<b>Credit</b>	<b>Debit</b>	<b>(Payable)/ Receivable</b>	<b>As on 31-03-14</b>	
				<b>Debit</b>					
				<b>As on 01-04-13</b>					
1	Iris Fashions Pvt. Ltd.	Common Director	Purchase/Sale	-	44,718	1,63,70,199	88,29,997	74,95,484	
2	Iris Apparels Pvt. Ltd.	Common Share holding	Purchase/Sale	23,59,993	-	1,10,43,567	1,23,44,351	10,59,209	
3	Iris Fashions Pvt. Ltd.	Common Director	Loan	-	22,95,000	36,95,000	14,00,000	-	
4	Iris Apparels Pvt. Ltd.	Common Share holding	Loan	-	-	1,00,00,000	1,00,00,000	-	
5	Mrs. Geeta Ladha	Managing Directors	Director's Remuneration	-	-	18,00,000	18,00,000	-	
6	Mr. Baldev Das Ladha	Director	Director's Remuneration	-	-	6,00,000	6,00,000	-	
7	Mr. Santosh Ladha	Share Holder	Purchase/Sale	-	-	9,926	9,926	-	
8	Mr. Rajesh Kumar	Share Holder	Loan/Advances	-	-	9,764	(7,72,275)	-	

	Rathi							7,82,039		
9	Ms. Rashmi Devi Rathi	Share Holder	Loan/Advances	-	-	24,394	13,11,519	(12,87,125)		

<b>Annexure 33</b>										
<b>Summary of Accounting ratios</b>										
S. No.	Particulars	Calculation	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014		
1	Basic Earning per share	Restated PAT attributable to Equity Shareholders Weighted Average Number of Equity Shares outstanding	1,17,08,159 28,91,861	3,37,90,401 27,70,633	1,59,73,973 26,91,900	64,61,523 26,91,900	24,23,245 26,91,900	68,08,114 26,91,900		
2	Net Asset Value per equity share	Basic Earnings Per Share ASSETS* LIABILITIES* Net Asset value (Assets-Liability)	4.05 40,32,82,294 26,76,79,874 13,56,02,420	12.20 39,72,19,235 29,65,53,273 10,06,65,962	5.93 31,67,46,395 25,39,14,313 6,28,32,083	2.40 26,55,62,668 21,77,49,124 4,78,13,543	0.90 29,67,14,285 25,49,56,013 4,17,58,273	2.53 28,93,88,890 24,89,87,360 4,04,01,530		
3	Return on Net Worth	Total Number of Equity Shares outstanding Net Asset Value per equity share Restated PAT attributable to Equity Shareholders EQUITY SHARE CAPITAL+RESERVES AND SURPLUS**	28,91,861 46.89 1,17,08,159 13,66,03,248	27,70,633 36.33 3,37,90,401 10,13,05,488	26,91,900 23.34 1,59,73,973 6,43,26,387	26,91,900 17.76 64,61,523 4,83,52,413	26,91,900 15.51 24,23,245 4,18,90,891	26,91,900 15.01 68,08,114 3,94,67,645		
		Ratio	8.57%	33.35%	24.83%	13.36%	5.78%	17.25%		
		* Assets & Liability exclude Deferred Tax Assets & Deferred Tax Liability respectively.								
		** Reserve & Surplus exclude Revaluation Reserve								

IRIS CLOTHINGS LIMITED			
Annexure 34			
Capitalization Statement			
		Standalone	
Particulars	Pre-Issue as at June 30, 2018		Adjusted for the post-issue
<b>Borrowings</b>			
Short term debt (A)	11,31,02,681		11,31,02,681
Long term debt (B)	7,27,35,101		7,27,35,101
Total Debts (C)	18,58,37,782		18,58,37,782
<b>Shareholder's fund</b>			
Share Capital	3,43,07,790		4,66,11,790
Reserve & Surplus	10,22,95,458		20,07,27,458.40
<b>Total Shareholder's fund (D)</b>	<b>13,66,03,248</b>		<b>24,73,39,248</b>
<b>Long Term Debt / Shareholder's fund (B/D)</b>	<b>0.53</b>		<b>0.29</b>
<b>Total Debt/ Shareholder's fund (C/D)</b>	<b>1.36</b>		<b>0.75</b>

1. Short Term Debts represents debts which are due within 12 months from the end of June, 2018
2. Long Term Debts represents other than Short Term Debts, as defined above but includes current maturities of long term debt.
3. The Figures Disclosed above are based on restated statements of Assets & Liabilities of the Company as at 30th June, 2018.
4. For post issue Capitalization calculation has been done considering the allotment of shares in the IPO.

Annexure 35 Tax Shelter Statement	For the Year Ended						
	30-06-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014	
<b>Particulars</b>							
<b>Profit before tax as per Restated P/L (A)</b>	<b>1,64,46,857</b>	<b>4,76,60,197</b>	<b>2,41,80,144</b>	<b>96,95,627</b>	<b>35,54,143</b>	<b>98,52,553</b>	
Normal Corporate Tax Rate	27.82%	27.55%	33.06%	33.06%	30.90%	30.90%	
Minimum Alternate Tax	19.25%	19.05%	19.05%	19.05%	19.05%	19.05%	
<b>Adjustments</b>							
<b>Permanent Difference (B)</b>							
Expenses Disallowed under Income Tax Act, 1961	-	12,48,633		1,05,922	64,846		
Disallowance u/s 36 (i) (va)	-	7,83,903	-	-	40,879	-	
<b>Total Permanent Difference (B)</b>	-	<b>20,32,536</b>	-	<b>1,05,922</b>	<b>1,05,725</b>	-	
<b>Timing Difference (C)</b>							
Depreciation as per Books	64,15,818	1,87,67,966	1,16,01,820	95,95,944	1,25,30,646	1,04,87,410	
Depreciation as per IT Act	48,92,475	2,04,69,799	88,26,170	83,87,133	90,79,182	1,05,40,632	
Disallowance u/s 43 B	-	-	-	-	-	-	
<b>Total Timing Difference (C)</b>	<b>15,23,343</b>	<b>-17,01,833</b>	<b>27,75,650</b>	<b>12,08,811</b>	<b>34,51,464</b>	<b>-53,222</b>	
<b>Net Adjustment (D) = (B) + (C)</b>	15,23,343	3,30,703	27,75,650	13,14,733	35,57,189	-53,222	
Tax Expense/ (saving) thereon Tax Expense / (saving) thereon	4,23,794	91,117	9,17,713	4,34,690	10,99,171	-16,446	
<b>Income from other sources (E)</b>	-	-	-	-	-	-	
<b>Exempt Income (F)</b>	-	-	-	-	-	-	
<b>Taxable Income/(loss) G=(A+D+E-F)</b>	<b>1,79,70,200</b>	<b>4,79,90,900</b>	<b>2,69,55,794</b>	<b>1,10,10,360</b>	<b>71,11,332</b>	<b>97,99,331</b>	
<b>Brought Forward Loss Set Off</b>	-	-	-	-	-	-	
Ordinary Business Loss	-	-	-	-	-	-	
Total Loss set off (H)	-	-	-	-	-	-	
<b>Taxable Income/(loss) (G-H)</b>	<b>1,79,70,200</b>	<b>4,79,90,900</b>	<b>2,69,55,794</b>	<b>1,10,10,360</b>	<b>71,11,332</b>	<b>97,99,331</b>	
<b>Tax as per Normal Provision</b>	<b>49,99,310</b>	<b>1,32,22,693</b>	<b>89,12,394</b>	<b>36,40,355</b>	<b>21,97,402</b>	<b>30,27,993</b>	
<b>Taxable Income/(Loss) as per MAT</b>	<b>1,64,46,857</b>	<b>4,76,60,197</b>	<b>2,41,80,144</b>	<b>96,95,627</b>	<b>35,54,143</b>	<b>98,52,553</b>	
<b>Tax as per MAT</b>	<b>31,66,020</b>	<b>90,79,268</b>	<b>46,06,317</b>	<b>18,47,017</b>	<b>6,77,064</b>	<b>18,76,911</b>	
<b>Tax Paid as per MAT or Normal Provision</b>	Normal Provision	Normal Provision	Normal Provision	Normal Provision	Normal Provision	Normal Provision	



Notes forming part of the financial statements											
Financier/ Lender	Purpose of Borrowing	Sanctio ned amount	30- 06- 2018	Principal Outstanding As At					Repayment terms	Rate of interest	Security /Principal terms & conditions
				31- 03- 2018	31- 03- 2017	31- 03- 2016	31- 03- 2015	31- 03- 2014			
AXIS BANK A/C NO:916060 037175717	For Part Payment to be given for Purchase of G+4 storied unit at Panchala, Ho wrah	3,00,00, 000	2,47,5 0,000	2,60,0 0,000	3,00,0 0,000	-	-	-	20 Quarterly Installments starting from 30.06.2017 as per the repayment schedule.	MCLR (3Y)+Sp read (current effective floating rate of 12.00% p.a). Effective MCLR on the date of disburs ement to be taken and MCLR to be reset at a frequen cy equival	Primary: Exclusive Hypothecation of Stock & Book Debts and other Current Assets of the Company both Present and Future. Collateral: i) 1st charge over Fixed Assets of the company both present and Future of the Factory located at a)103/24/1 Binani Metal Compound, Howrah, b)44,Foreshore Road,Godown No.1,Shibpur,Howrah and c)Godown No:1,Belverde Mill Compound,Mouza-Sankrail,PS- Howrah,WB-711320 ii)Exclusive Mortgage of the flat located at Radha Niket,Premises No.134,GT Road, 1st Floor,Flat No.102,Howrah- 711102 owned by Smt Kamala Devi Ladha (to be taken over from Allahabad Bank) iii)Pledge of FDR of RS.1.00 Cr.(to be taken over from Allahabad Bank) iv)Exclusive Mortgage of Land and building Located at Unit No.A1,Bock A,Dag no. 32,33,35 and 52 in the Project known as M J Textile Hub Lying and Situating at Mouza Satghoria listed as

AXIS BANK A/C NO:917060 051548349	For setting up Readymade Garments manufacturing unit with installed capacity of 30 Lakhs p.a	2,90,000	2,79,000	2,90,000	-	-	-	-	20 Quarterly Installments starting from 30.06.2018 as per the repayment schedule.	ent to the tenor of MCLR	no 27(J L no 27) under the jurisdiction of Panchla, within the limits of Beldubi gram Panchayat, also under the Jurisdiction of A.D.S.O-Ranihati, in the district of Howrah,West Bengal
										1 Y MCLR+S	Primary: -Exclusive Hypothecation of Stock & Book Debts and other Current Assets of the Company both Present and Future. -Exclusive Mortgage of Land and building located at Unit No.A1, Block A,Dag No. 32,33,35 and 52 in the project known as M J Textile Hub lying and situated at Mouza Satghoria listed as no 27 (J L no 27) under the jurisdiction of A.D.S.O-Ranihati,in the district of Howrah ,West Bengal Collateral: i)1st charge over Fixed Assets of the company both present and Future of the Factory located at a)103/24/1 Binani Metal Compound, Howrah, b)44,Foreshore Road,Godown No.1,Shibpur,Howrah and c)Godown No:1,Belverde Mill Compound,Mouza-Sankrail,PS-Howrah,WB-711320 ii)Exclusive Mortgage of the flat located at Radha Niket,Premises No.134,GT Road, 1st Floor,Flat No.102,Howrah-711102 owned by Smt Kamala Devi Ladha (to be taken over from Allahabad Bank) iii)Pledge of FDR of RS.100 Cr. iv)Loan service Reserve by way of pledge of additional FDR



Financier/ Lender	Purpose of Borrowing	Sanctio ned amount	Principal Outstanding As At					Repayment terms	Rate of interest	Security /Principal terms & conditions
			30- 06- 2018	31- 03- 2018	31- 03- 2017	31- 03- 2016	31- 03- 2015			
								amount		and /or LICI policy (at surrender value) duly pledged after recording Lien thereon or assigning in favour of the Corporation.LCS amounting to Rs. 8.50 Lakh will have to be provided upfront before release of any disbursement and the balance LCS of Rs 8.00 Lakhs. LCS is to be provided after release of 50% disbursements of the Loan sanctioned
W.B.F.C LIR 2	For Acquisition of Machinery MFA,Tools & Fittings and Payment to Sundry Creditors for Fixed Assets	1,20,00, 000	-	-	-	-	12,90, 000	The term loan of Rs. 120.00 Lakhs will be repaid within a period of 5 Years by 19 Quarterly installments in the following manner : The first 18 (eighteen) installments being of Rs. 6.30 Lakhs each and the last (19th)	12.25% P.a	Secured by: i)extension of existing first hypothecation charge that the Corporation has over the machines, equipments and other assets of your unit located at 103/24/1, Foreshore Road,Howrah-711 102; ii) creation of exclusive first charge by way of hypothecation of all the machines,equipments and other assets considered in this expansion project and installed/ to be installed at your second unit located at 44,Foreshore Road,Howrah-711 102; iii)irrevocable and unconditional guarantee of the proprietress of the unit in her personal capacity.The proprietress of the unit viz Smt. Geeta Lodha is requested to furnish her personal guarantee bond as per

											the standard format of the Corporation. The guarantor must not dilute her personal assets during the currency of the Loan without written consent of the Corporation. COLATERAL SECURITY: Further Secured by: a)Liquid Collateral Security (LCS) worth Rs. 12.00 Lakhs in the form of NSC/KVP/FDR (at face value) and/or LICI policy (at Surrender value). b) Extension of charge that the corporation has over the liquid collateral securities lien marked by the concern in favour of the Corporation for the earlier term loan.
											installment being of Rs. 6.60 Lakhs. The first installment will be due for payment on completion of 6 (six) months from the date of first disbursement of the Loan
											Secured by: i)creation of first charge by way of hypothecation of all the moveable fixed assets including Machinery,Equipment,Spares,furniture, tools and accessories, both present and future, of your proposed factory at Godown no. V-1, Belvedere Mill Premises, P.S. Sankrail, Dist.Howrah subject to the prior charge on specified movables in favour of the unit's bankers for working capital borrowings; ii)irrevocable and unconditional guarantee of the proprietress of the unit in her personal capacity.The proprietress of the unit viz Smt. Geeta Lodha is requested to furnish her personal guarantee bond as per the standard format of the Corporation. The guarantor must not
W.B.F.C LIR 3	The Loan amount will be utilised for Purchase of Plant and Machinery worth Rs.280.00 Lakhs. Payment will be made direct to the Suppliers/Contractors and/or to the creditors through banks as far practicable.	2,80,00,000	-	-	-	1,68,00,000	2,24,00,000	15,40,000 and varied Interest amount. The first installment will fall due for payment on Completion of 6(six)	12.75% P.a	9 Quarterly Principal amount of Rs. 14,00,000 and 19 Quarterly Principal amount of Rs 15,40,000 and varied Interest amount. The first installment will fall due for payment on Completion of 6(six)	



ICICI BANK A/C NO:LACALO 003659091 1	CAR LOAN (CRETA CRDI 1.6 SX WB- 12AS-9990)	14,00,00	11,18, 020	12,60, 942	-	-	-	-	-	36 EMI of Rs.44,032/-	8.24% P.a	Secured by way of hypothecation of vehicles against which loan is taken.
ICICI BANK A/C NO:LACALO 003201127 8	HONDA CITY CAR 2403 WB03D	10,66,00	-	34,18 3	4,22,6 88	7,73,8 44	-	-	-	36 EMI of Rs.34,472/-	10.15% P.a	Secured by way of hypothecation of vehicles against which loan is taken.
ICICI BANK A/C NO:LAHO W0002673 5764	VERNA CAR LOAN	10,45,00	-	-	-	-	3,19,7 77	6,70,0 30	-	36 EMI of Rs.33,700/-	9.16% P.a	Secured by way of hypothecation of vehicles against which loan is taken.
Financier/ Lender	Purpose of Borrowing	Sanctio ned amount	Principal Outstanding As At						Repayment terms	Rate of interest	Security /Principal terms & conditions	
CAPITAL FIRST LTD A/C NO 4984198	BUSINESS LOAN	30,00,00	-	-	20,86, 972	29,35, 541	-	-	-	36 months of EMI Rs 1,06,959	17.00% P.a	UNSECURED
CAPITAL FIRST LTD A/C NO 1911342	BUSINESS LOAN	30,00,00	-	-	-	6,75,4 88	15,75, 465	30,00, 000	-	36 months of EMI Rs 1,55,229	18.50% P.a	UNSECURED
KOTAK MAHINDR A BANK CSG 152375244	BUSINESS IMPROVEME NT LOAN	40,00,00	-	-	22,06, 187	36,75, 472	-	-	-	30 months of EMI Rs 1,63,621	18.48% P.a	UNSECURED

KOTAK MAHINDR A BANK CSG 152002232	BUSINESS IMPROVEME NT LOAN	25,00,0 00	-	-	-	8,81,1 72	25,00, 000	24 months. Rs 1,68,000 for the First 8 months, Rs 1,52,650 for the next 8 months and Rs 41,850 for the Last 8 months	21.17% P.a	UNSECURED
RELIGARE FINVEST LTD XSMEK000 066948	SME BUSINESS LOAN	27,50,0 00	-	17,79, 599	25,72, 859	-	-	36 months of EMI Rs 99,420	18.00% P.a	UNSECURED
RELIGARE FINVEST LTD XSMEK00 0051871	SME BUSINESS LOAN	25,00,0 00	-	-	-	13,54, 576	25,00, 000	36 months. Rs 1,27,500 for the First 12 months, Rs 97,500 for the next 12 months and Rs 33,330 for the Last 12 months	19.30% P.a	UNSECURED
TATA CAPITAL FINANCIAL SERVICES LTD 5674340	PL BUSINESS LOAN	45,00,0 00	-	31,38, 974	44,21, 720	-	-	36 months of EMI Rs 1,60,438	21.91% P.a	UNSECURED



TATA CAPITAL FINANCIAL SERVICES LTD 3909513	PL BUSINESS LOAN TOP UP	35,00,00	-	-	-	12,33,147	35,00,000	24 months. Rs 2,35,200 for the First 8 months, Rs 2,13,710 for the next 8 months and Rs 58,590 for the Last 8 months	20.94% P.a	UNSECURED
ICICI BANK LTD B/L A/C UPCL 000341073 64	BUSINESS LOAN	30,00,00	-	20,82,168	29,35,037	-	-	36 months of EMI Rs 1,06,213	16.50% P.a	UNSECURED
INDUSIND BANK LTD A/C NO. 70600031 326	BUSINESS EXPANSION	25,00,00	-	12,48,685	24,10,069	-	-	24 months of EMI Rs 1,23,606	16.16% P.a	UNSECURED
MAGMA FINCORP LTD NO.PG/023 8/P14/000 230	BUSINESS EXPANSION	30,00,00	-	20,86,983	29,35,542	-	-	36 months of EMI Rs 1,06,958	17.00% P.a	UNSECURED
HDB FINANCIAL SERVICES LTD 610992	BUSINESS LOAN	15,00,00	-	-	-	5,42,872	15,00,000	18 months of EMI Rs 95,709	18.00% P.a	UNSECURED
BAJAJ FINSERV TOP UP 410CSH186 67840	BUSINESS LOAN	65,00,00	53,46,193	55,33,483	64,37,708	-	-	112 months of EMI Rs 87,345	8.90% P.a	SECURED AGAINST ASSET/PROPERTY COST Rs 4,73,60,000. PROPERTY ADDRESS: Flat No. 8A,8th Floor,"Alipore Exotica ",Premises No.37B,Alipore Road. Ward No. 82,



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements for the F.Y. ended March 31, 2018, 2017, 2016, 2015 and 2014 including the notes and significant accounting policies thereto and the reports thereon, which appear elsewhere in this Prospectus. You should also see the section titled "Risk Factors" beginning on page 12 of this Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company, unless otherwise stated, is based on restated audited financial statements.*

*These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditors dated 13.08.2018 which is included in this Prospectus under the section titled "Financial Statement as Re-Styled" beginning on page 131 of this Prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.*

### **BUSINESS OVERVIEW**

Our Company is engaged in the Manufacturing, Designing, Branding and Selling of Kids Wear under the brand name DoReMe® in India. DoReMe® caters to the Kids Wear category mostly juniors including various kinds of apparels and related products for all Infants, Boys and Girls. We have been able to establish our brand Do Re Me® as a mid-market, comfortable and high quality junior Kids Wear brand. Our Company makes different kinds of products like Tops, T-shirts, Pants, Shorts, Frock, Dresses, and Towels among others catering to Kids Wear category. Our Company continuously strives to add new product lines and innovate with Designs to be able to appeal to the changing consumer demands. Our Company believes its key strength lies in the Product Designing and Manufacturing Excellence in both cost and quality.

**Our Background:** Our Promoters started the business as a proprietary firm named Iris Clothings in the year 2004 doing contract manufacturing for other brands. It did not take long for the promoters to gauge the business potential for an own brand and thereby launched DoReMe® within one year of start of business. DoReMe® started its sales in 2005 through distributor-retailer network based out of Mumbai. Given the strong product quality, DoReMe® gained popularity from word-of-mouth publicity and our Company added more distributors and retailers through them in the market of Mumbai. From there-on our Company has grown in its distribution as well as manufacturing capabilities over the years. On April 01, 2012, Iris Clothings was acquired by Our Company, through Sale Agreement wherein our Company acquired assets and liabilities of Iris Clothings and all the manufacturing operations and trading activities was consolidated in our Company.

As on date our Company has an active distribution network of 60+ distributors across cities / states with reach to more than 4,000+ retailers. Our Company has always believed in offering high quality products at affordable value and the same has helped the brand to develop a strong pull from the end customers and trade partners. The Company generates its revenue from supply of its finished products to the distributors. The Company does not have its own sales outlet.

**Our Products:** Our Company deals mostly with all kinds of casual wears for kids in cotton fabrics. Our Company purchases dyed fabric sheets, accessories, embellishments, extra trimming materials and processes them into finished garments. Currently, the Company is not present in embroidery, fancy or other kind of Kids Wear products and proposes to add them in future commensurating with corresponding expansion in infrastructure and capability to maintain high quality standard. We currently focus our manufacturing mostly on comfort wear for indoor and outdoor purpose. Currently, the company has more than 700 Stock Keeping Units (SKUs) and the range keeps expanding with newer product, designs, styles, and colour shades among other reasons. Our Company has very limited number of slow moving SKUs given the sales process is mostly pull driven. This helps in early identification and correction of slow moving SKUs.

**Sales Channel:** Our brand DoReMe® has good presence in 23 states across India with Maharashtra, Gujarat and NCR being the key markets. In Maharashtra; Mumbai, Pune and Nagpur are the cities with good presence of our products. Similarly in Gujarat, our products are predominantly available in cities like Ahmedabad, Rajkot, Baroda and Surat. We are currently in the process of expanding our reach further in few markets of Rajasthan and Southern Indian. Our Company sells its products mostly through distributor's network and around 10% of sales directly through online e-commerce channels like FirstCry, Hopscotch. Our Company has witnessed very good brand recall and growth through online channels and believes online could be an important channel for future growth. Our Company works on a No Sale Return policy with its distributor with a typical credit period of 1-2 months depending upon the credit history and the agreed terms. Our Company keeps participating in various industry exhibitions and tradeshows to build visibility among the trade partners.

Our Company's total revenues, as restated for the three months period ended June 30, 2018 and for the year ended March 31, 2018; March 31, 2017 and March 31, 2016 were Rs. 14,84,70,115, Rs. 53,10,12,882; Rs. 46,89,14,597 and Rs. 36,99,20,555 respectively. Our Company's restated net profit after tax for three months period ended June 30, 2018 and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016 were Rs. 1,17,08,159, Rs. 3,37,90,401; Rs.1,59,73,973 and Rs. 64,61,523 respectively

#### **Our Location**

A detail of our locations is as follows:

<b>Registered Office</b>	103/24/1, Foreshore Road Shibpur, Howrah, West Bengal – 711 102
<b>Factory locations:</b>	<ul style="list-style-type: none"> <li>i) Belvedere Mill Complex, South Sankrail, Howrah, West Bengal (Designing, Cutting and Printing unit).</li> <li>ii) M J Industrial Park, Satghoria, Panchla, Howrah West Bengal (Stitching, Mending and Finishing Unit).</li> <li>iii) 44, Foreshore Road, Howrah, West Bengal (Processing, Finishing and Dispatch Unit).</li> <li>iv) 103/24/1, Foreshore Road, Howrah, West Bengal (Processing, Storage and Dispatch Unit).</li> </ul>

#### **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION:**

- Increased Competition from Local and Big Players.
- Any change or shift of focus of Government policies may adversely impact our financials.
- Working Capital Intensive Business.
- Accessibilities of skilled labour.
- High labour turnover of workers.
- Rapid changes in fashion and textile industry.
- General economic and demographic conditions;
- 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 section titled "**Risk Factors**", "**Our Industry**" and "**Our Business**" beginning on page 12,71 and 83 respectively of this Prospectus.

#### **SIGNIFICANT ACCOUNTING POLICIES:**

Our Significant Accounting policies are described in the section entitled "**Financial Statement as Re-Stated**" of the Company on page no. 131 of the Prospectus.

## OUR RESULTS OF OPERATIONS

The following table sets forth select financial data from our restated statements of profit and loss for the three months period ended June 30, 2018, for the financial years ended 2018; 2017 and 2016, the components of which are also expressed as a percentage of total revenue for such Years:

Amount in Rs.

Particulars	For the 3 month period ended		For the year ended		For the year ended		For the year ended	
	June 30, 2018	% age of Total Income	2018	% age of Total Income	2017	% age of Total Income	2016	% age of Total Income
<b>REVENUE</b>								
Revenue from operations (gross)	14,84,12,436.00	99.96%	52,86,68,268.40	99.56%	46,67,85,895.02	99.55%	36,41,38,462.65	98.44%
Other income	57,679.00	0.04%	23,44,613.42	0.44%	21,28,701.81	0.45%	57,82,092.42	1.56%
<b>Total revenue</b>	<b>14,84,70,115.00</b>	<b>100.00%</b>	<b>53,10,12,881.82</b>	<b>100.00%</b>	<b>46,89,14,596.83</b>	<b>100.00%</b>	<b>36,99,20,555.07</b>	<b>100.00%</b>
<b>EXPENSES</b>								
Cost of material consumed	8,76,41,151.00	59.03%	29,23,19,881.63	55.05%	29,92,12,379.56	63.81%	19,77,09,441.30	53.45%
Purchase of stock-in-trade	53,84,401.00	3.63%	41,35,675.00	0.78%	-	0.00%	-	
Changes in inventories of finished goods and work in progress	(1,49,41,988.00)	(10.06%)	(3,06,17,177.05)	(5.77%)	(1,72,56,114.77)	(3.68%)	4,13,20,613.22	11.17%
Employee benefit expenses	2,15,21,426.00	14.50%	7,82,84,626.00	14.74%	4,42,14,932.00	9.43%	2,56,54,026.50	6.94%
Finance Costs	50,81,347.00	3.42%	2,47,56,713.53	4.66%	1,85,18,724.54	3.95%	2,21,07,317.37	5.98%
Depreciation and amortisation expense	64,15,818.00	4.32%	1,87,67,966.00	3.53%	1,16,55,694.00	2.49%	96,49,818.00	2.61%
Other expenses	2,09,21,104.00	14.09%	9,57,04,999.50	18.02%	8,83,88,837.43	18.85%	6,37,83,711.78	17.24%
<b>Total expenses</b>	<b>13,20,23,259.00</b>	<b>88.92%</b>	<b>48,33,52,684.61</b>	<b>91.02%</b>	<b>44,47,34,452.76</b>	<b>94.84%</b>	<b>36,02,24,928.17</b>	<b>97.38%</b>
<b>Profit / (Loss) before tax</b>	<b>1,64,46,856.00</b>	<b>11.08%</b>	<b>4,76,60,197.21</b>	<b>8.98%</b>	<b>2,41,80,144.07</b>	<b>5.16%</b>	<b>96,95,626.90</b>	<b>2.62%</b>
<b>Tax expense:</b>								
Current Tax	51,00,000.00	3.44%	1,30,15,018.00	2.45%	91,61,605.00	1.95%	36,40,356.00	0.98%
Deferred Tax (Asset)/Liability	(3,61,302.00)	(0.24%)	8,54,778.00	0.16%	(9,55,434.00)	(0.20%)	(4,06,252.00)	(0.11%)
Total Tax Expenses	47,38,698.00	3.19%	1,38,69,796.00	2.61%	82,06,171.00	1.75%	32,34,104.00	0.87%
<b>Profit / (Loss) after tax</b>	<b>1,17,08,158.00</b>	<b>7.89%</b>	<b>3,37,90,401.21</b>	<b>6.36%</b>	<b>1,59,73,973.07</b>	<b>3.41%</b>	<b>64,61,522.90</b>	<b>1.75%</b>

## MAIN COMPONENTS OF OUR PROFIT AND LOSS ACCOUNT

**Total Revenue/ Income** Our total income comprises of revenue from operations and other income.

**Revenue from Operations** Our revenue from operations as a percentage of total income was 99.56%; 99.55% and 98.44% respectively, for the fiscals 2018; 2017 and 2016.

**Other Income** Our other income comprises of Discount Received, Interest Received, Interest Subsidy (TUFS) Received etc. Other income, as a percentage of total income was 0.44%; 0.45% and 1.56% respectively, for fiscals 2018, 2017 and 2016.

**Expenditure** Our total expenditure primarily consists of Purchases of Stock-in-Trade, Changes in Inventories, Employee Benefit Expenses, Depreciation & Amortisation Expenses and Other Expenses.

**Purchases of Stock-in-Trade** Costs of purchases are primarily in relation to purchases of Raw Material, purchase of traded goods.

**Changes in Inventories** Changes of Stock in trade indicate the difference between the opening and Closing Stock as adjusted for purchase of Stock In trade.

**Employee Benefit Expenses** Expenses in relation to employees' remuneration and benefits include salary & wages, bonuses, director's remuneration, staff welfare expenses etc.

**Depreciation and Amortization Expenses** Depreciation and Amortization Expenses primarily consist of depreciation on the Property, Plant & Equipment of our Company which primarily includes Furniture & Fixtures, Air Conditioner, Computer and Trademark etc.

**Other Expenses** Other expenses primarily include Rent, Electricity & Maintenance, General Expense, Office expense, Telephone Expenses, Travelling & Conveyance Expenses, Printing & Stationery Expenses etc.

**Provision for Tax** The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

## REVIEW OF THREE MONTHS ENDED JUNE 30, 2018

### INCOME

#### Income from operations

Our Income from Operations was Rs. 14,84,12,436.00 which is 99.96% of out total revenue for the period of three months ended June 30, 2018.

#### Other Income

Our Other Income was Rs. 57,679.00 for the period of three months ended June 30, 2018

### EXPENDITURE

#### Total expenses

The Total expenditure for the period ended June 30, 2018 is Rs. 13,20,23,259.00

**Cost of Materials Consumed**

The cost of materials consumed was Rs. 8,76,41,151.00 for the period ended June 30, 2018

**Purchases of Stock-in-Trade**

The Purchase of stock in trade was Rs. 53,84,401.00 for the period ended June 30, 2018

**Changes in inventories of finished goods and work-in progress**

The Changes in inventory of finished goods and work in progress arrived at negative Rs. (1,49,41,988.00) for the period ended June 30, 2018

**Employee Benefit Expenses**

The Employee benefit expenses amounted to Rs. 2,15,21,426.00 for the period ended June 30, 2018

**Finance costs**

The finance cost arrived at Rs. 50,81,347.00 for the period ended June 30, 2018

**Depreciation and Amortization Expenses**

The Depreciation and Amortization expenses amounted to Rs. 64,15,818.00 for the period ended June 30, 2018.

**Other expenses:**

The other Expenses amounted to Rs. 2,09,21,104.00 for the period ended June 30, 2018

**Profit/ (Loss) After Tax**

The Profit after tax earned for the period ended June 30, 2018 amounted to Rs. 1,17,08,158.00

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2018 WITH FISCAL 2017****Income****Revenue from Operations**

During the financial year 2018 the revenue from operations (gross) of our company increased to Rs. 52,86,68,268.40 as against Rs. 46,67,85,895.02 in the year 2017, representing an increase of 13.24%. This increase is majorly due to increase in the sale of products.

**Other Income**

Other income increased by 10.14% to Rs. 23,44,613.42 in F.Y. 2018 from Rs.21,28,701.81 in F.Y. 2017. This increase in the other income was mainly due to receipt of Insurance Claim.

**Expenditure****Total Expenses**

The total expenditure for the financial year 2018 increased to Rs. 48,33,52,684.61 from Rs. 44,47,34,452.76 in the year 2017, representing an increase of 8.68%.

**Cost of material consumed:**

Cost of materials consumed has decreased marginally by 2.3% to Rs. 29,23,19,881.63 in F.Y. 2018 from Rs. 29,92,12,379.56 in F.Y.2017. The change was mainly due to carry forward of lower opening from the last year.

**Purchases of Stock-in-Trade**

Our Company has incurred Rs. 41,35,675 for purchases for readymade garments during the F.Y. 2018 which is about 0.78% of the Total Income.

**Changes in inventories of finished goods and work-in progress:**

Closing Stock of finished goods and work-in progress was Rs. 4,97,74,349 and Rs. 4,64,81,649 respectively in F.Y. 2018 as compared Rs. 3,49,32,337 and Rs. 3,07,06,485 respectively in F.Y. 2017.

**Employee Benefit Expenses**

The employee benefit expense comprises of Directors' remuneration and salaries & wages. Our Company has incurred Rs. 7,82,84,626 as employee benefit expenses during the FY 2018 as compared to Rs. 4,42,14,932 during the FY 2017. The increase of 77.05% as compared to previous year is due to increase in work force upon implementation of expansion project and increase in remuneration of existing employees.

**Finance costs:**

Finance costs increased by 33.68% to Rs. 2,47,56,713.53 in F.Y. 2018 from Rs. 1,85,18,724.54 in F.Y. 2017. This increase was due to increase in loan obtained and increase in interest paid by our Company.

**Depreciation and Amortization Expenses:**

Net depreciation and amortization expenses increased by 61.02% to Rs. 1,87,67,966 in F.Y. 2018 from Rs. 1,16,55,694 in F.Y. 2017. This increase was due to addition of fixed assets.

**Other expenses:**

Other expenses increased by 8.28% to Rs. 9,57,04,999.50 in F.Y. 2018 from Rs. 8,83,88,837.43 in F.Y. 2017. This increase was predominately due to increase in repairs and maintenance, electricity charges, travelling expenses, carriage outward, sales promotion expenses, discount allowed, and brokerage and commission.

**Profit/ (Loss) After Tax**

For the F.Y. 2018 the profit stood at Rs 3,37,90,401.21 as against the profit of Rs. 1,59,73,973.07 for the F.Y. 2017. The cause of increase of 111.53 % was majorly due to the factors mentioned above.

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2017 WITH FISCAL 2016****Income****Revenue from Operations**

During the financial year 2017 the revenue from operations (gross) of our company increased to Rs. 46,67,85,895.02 as against Rs. 36,41,38,462.65 in the year 2016, representing an increase of 28.19%. This increase is majorly due to increase in the sale of products.



### **Other Income**

Other income decreased by 63.18% to Rs. 21,28,701.81 in F.Y. 2017 from Rs. 57,82,092.42 in F.Y. 2016. This decrease in the other income was mainly due to completion of receipt of duty drawback and decrease in interest and discount received by our Company.

### **Expenditure**

#### **Total Expenses**

The total expenditure for the financial year 2017 increased to Rs. 44,47,34,452.76 from Rs. 36,02,24,928.17 in the year 2016, representing an increase of 23.46%.

#### **Cost of material consumed:**

Cost of materials consumed has increased by 51.34% to Rs. 29,92,12,379.56 in F.Y. 2017 from Rs. 19,77,09,441.30 in F.Y.2016. The change was mainly due to increase in purchases.

#### **Changes in inventories of finished goods and work-in progress:**

Closing Stock of finished goods and work-in progress was Rs. 3,49,32,337 and Rs. 3,07,06,485 respectively in F.Y. 2017 as compared Rs. 2,10,77,465 and Rs. 2,73,05,242 respectively in F.Y. 2016.

#### **Employee Benefit Expenses**

Our Company has incurred Rs. 4,42,14,932 as employee benefit expenses during the FY 2017 as compared to Rs. 2,56,54,026.50 during the FY 2016. The increase of 72.35% as compared to previous year is due to increase in work force upon implementation of expansion project and increase in remuneration of existing employees.

#### **Finance costs:**

Finance costs decreased by 16.23% to Rs. 1,85,18,724.54 in F.Y. 2017 from Rs. 2,21,07,317.37 in F.Y. 2016. This decrease was due to decrease in interest paid by the Company on Loans taken.

#### **Depreciation and Amortization Expenses:**

Net depreciation and amortization expenses increased by 20.79% to Rs. 1,16,55,694 in F.Y. 2017 from Rs. 96,49,818.00 in F.Y. 2016. This increase was due to addition of fixed assets.

#### **Other expenses:**

Other expenses increased by 38.58% to Rs. 8,83,88,837.43 in F.Y. 2017 from Rs. 6,37,83,711.78 in F.Y. 2016. This increase was predominately due to increase in consumption of stores and spare parts, repairs and maintenance, electricity charges, manufacturing expenses, travelling expenses, carriage outward and brokerage and commission.

#### **Profit/ (Loss) After Tax**

For the F.Y. 2017 the profit stood at Rs. 1,59,73,973.07 as against the profit of Rs. 64,61,552.90 for the F.Y. 2016. The cause of increase of 147.22% 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 2016 the revenue from operations (gross) of our company increased to Rs. 36,41,38,462.65 as against Rs. 29,77,79,247.98 in the year 2015, representing an increase of 22.28%. This increase is majorly due to increase in the sale of products.

#### Other Income

Other income increased by 82.38% to Rs. 57,82,092.42 in F.Y. 2016 from Rs. 31,70,297.42 in F.Y. 2015. This increase in the other income was mainly due to receipt of Interest Subsidy (TUFS) of Rs. 16,77,317 and foreign exchange fluctuation gain.

### Expenditure

#### Total Expenses

The total expenditure for the financial year 2016 increased to Rs. 36,02,24,928.17 from Rs. 29,73,95,402.27 in the year 2015, representing an increase of 21.13%.

#### Cost of material consumed:

Cost of materials consumed had decreased by 7.75% to Rs. 19,77,09,441.30 in F.Y. 2016 from Rs. 21,43,16,932.50 in F.Y. 2015. The change was mainly due to higher inventory at the beginning of 2015.

#### Changes in inventories of finished goods and work-in progress:

Closing Stock of finished goods and work-in progress was Rs. 2,10,77,465 and Rs. 2,73,05,242 respectively in F.Y. 2016 as compared Rs. 4,69,75,250 and Rs. 4,27,28,070 respectively in F.Y. 2015.

#### Employee Benefit Expenses

Our Company has incurred Rs. 2,56,54,026.50 as employee benefit expenses during the FY 2016 as compared to Rs. 2,31,81,651 during the FY 2015. The increase of 10.67% as compared to previous year is due to increase in remuneration of existing employees.

#### Finance costs:

Finance costs decreased by 4.48% to Rs. 2,21,07,317.37 in F.Y. 2016 from Rs. 2,31,44,589 in F.Y. 2015. This decrease was due to decrease in interest paid by the Company on Loans taken.

#### Depreciation and Amortization Expenses:

Net depreciation and amortization expenses decreased by 23.32% to Rs. 96,49,818.00 in F.Y. 2016 from Rs. 1,25,84,520 in F.Y. 2015. This decrease was due to sale of old assets by our Company.

#### Other expenses:

Other expenses increased by 5.71% to Rs. 6,37,83,711.78 in F.Y. 2016 from Rs. 6,03,39,564.77 in F.Y. 2015. This increase was predominately due to increase in consumption of stores and spare parts, repairs and maintenance, electricity charges, travelling expenses, carriage outward and brokerage and commission.

## Profit/ (Loss) After Tax

For the F.Y. 2016 the profit stood at Rs. 64,61,552.90 as against the profit of Rs. 24,23,245.13 for the F.Y. 2015. The cause of increase of 166.65% was majorly due to the factors mentioned above.

## CASH FLOWS

PARTICULARS	For the 3 months period ended June 30, 2018	For the Year Ended			Amount In
		Rs.		2016	
		2018	2017		
Net cash from operating activities (A)	2,63,82,435.00	3,32,40,501.11	6,65,57,785.77	5,31,24,310.64	
Net Cash from investing activities (B)	(34,10,445.00)	(5,63,08,066.54)	(7,69,00,236.90)	28,65,600.00	
Net Cash from financing activities (C)	(1,87,99,385.00)	2,28,67,882.16	1,07,41,186.13	(5,57,90,585.14)	
Net increase / (decrease) in cash and cash equivalents (A+B+C)	41,72,605	(1,99,683.27)	3,98,735.00	1,99,325.50	

### 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 our 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 12 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 not seasonal** Our business is not seasonal in nature.
- **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 83 of this Prospectus

## OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against/by the Company, its Directors, its Promoters and its Group Companies and there are no defaults, non-payment of statutory dues, over dues to banks /financial institutions, defaults against banks/financial institutions by the Company, default in creation of full security as per terms of issue /other liabilities, no amounts owed to small scale undertakings or any other creditor exceeding Rs. 1.00 lakh, which is outstanding for more than 30days, no proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under Schedule V to the Companies Act, 2013) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchange against the Company, its Promoters, its Directors and Group Companies.

Further, except as stated herein, there are no past cases in which penalties have been imposed on the Company, its Promoters, its Directors or its Group Companies, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of the Company. Further, there are no cases of litigation, defaults etc. in respect of companies/firms/ventures with which the Promoters were associated in the past but are no longer associated, in respect of which the name (s) of the Promoters continues to be associated.

Further, apart from those as stated below, there are no show-cause notices / claims served on the Company, its Promoters, its Directors or its Group Companies from any statutory authority / revenue authority that would have a material adverse effect on our business.

### a. LITIGATION RELATING TO OUR COMPANY

#### **Cases filed by our Company**

Nil

#### **Case filed against our Company**

Nil

#### **Cases pending with Tax Authorities**

Our Company had received a demand notice dated 16<sup>th</sup> March, 2016, u/s 156 of the Income Tax Act, 1961 for the AY 2013-14 demanding an additional Tax of Rs.1,59,62,660/- (including interest for the period) by an addition of Rs.3,58,50,707/- to the total income of the Company for the AY 2013-14, stating reason that, unexplained cash credited into the account of the Company. Our company filed an appeal on 29<sup>th</sup> April, 2016 before the Commissioner of Income Tax Appeals for disallowance of such addition. The matter is presently pending before the appellate authority.

### b. LITIGATIONS RELATING TO THE PROMOTERS OF OUR COMPANY

#### **Cases filed by our Promoters**

Nil

#### **Cases filed against our Promoters**

Nil

#### **Cases pending with Tax Authorities**

Nil

c. LITIGATIONS RELATING TO THE DIRECTORS OTHER THAN PROMOTERS OF THE COMPANY

Cases filed against the Directors

Nil

Cases filed by the Directors

Nil

Case Pending with Tax Authorities

Nil

d. LITIGATIONS RELATING TO THE GROUP COMPANIES

Cases Filed Against the Group Companies

Nil

Cases Filed by the Group Companies

Nil

Case Pending with Tax Authorities

Nil

Details of outstanding demand in respect of TDS

Nil

e. LITIGATIONS RELATING TO THE DIRECTORS OF GROUP COMPANIES

Cases filed against the Directors of Group Companies

Nil

Cases filed by the Directors of Group Companies

Nil

Case Pending with Tax Authorities

Nil

f. PAST CASES IN WHICH PENALTIES HAVE BEEN IMPOSED ON OUR COMPANY

There are no cases since inception in which penalties have been imposed on our Company.

g. CREDITORS OF THE COMPANY FOR THE AMOUNT EXCEEDING RS. 1 LAKHS OUTSTANDING FOR MORE THAN 30 DAYS

As of March 31,2018, our Company, in its ordinary course of business, has an aggregate amount of Rs. 4.72 Crores, which is due towards sundry and other creditors. As per the above policy, consolidated information of outstanding dues, as at March 31,2018, 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 Creditors	Amount (Rs. in Crores)
Micro, Small and Medium Enterprises	-	-
Material Creditors	1	4.72

Other Creditors	-	-
<b>Total</b>	<b>1</b>	<b>4.72</b>

#### **MATERIAL DEVELOPMENTS**

Except as stated in the chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page 181 of this Prospectus, no material developments have taken place after March 31, 2018, the date of the latest balance sheet, that would materially adversely affect the performance of Prospectus of the Company. In accordance with SEBI requirements, our Company and the Lead Manager shall ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the National Stock Exchange of India Limited.

We certify that except as stated herein above:

- a. There are no pending proceedings for offences for non-payment of statutory dues by the promoters of the Company.
- b. There are no cases of litigation pending against our Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of our Company.
- c. There are no pending litigations against the Promoters/ Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- d. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the Promoters.
- e. There are no outstanding litigations, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f. There are no litigations against the Promoters / Directors in their personal capacity.
- g. The Company, its Promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

On the basis of the list of material approvals provided below, our Company can under take the Issue and its current business activities and other than as stated below, no further approvals from any regulatory authority are required to undertake the Issue or continue such business activities. In case, if any of licenses and approvals which have expired; we have either made an application for renewal or are in process of making an application for renewal. Unless otherwise stated, these approvals are valid as of the date of this Prospectus. For further details, in connection with the applicable regulatory and legal framework, kindly refer “Key Regulation and Policies” on page 97 of this Prospectus.

### I. APPROVALS IN RELATION TO THE ISSUE

#### **Corporate Approvals**

1. Our Board has, pursuant to a resolution passed at its meeting held on July 27, 2018 Authorizing the Issue.
2. Our shareholders have pursuant to a resolution passed at their meeting dated July 30, 2018 under Section 62(1)(c) of the Companies Act 2013, authorized the Issue.
3. Our Company has obtained approval dated 06.09.2018 from the NSE.
4. Our Company's International Securities Identification Number (“ISIN”) is INE01GN01017

#### **Approvals from Lenders**

1. Our Company is in the process of obtaining approval from its lenders.

### II. INCORPORATION DETAILS

1. Corporate Identity Number: U18109WB2011PLC166895.
2. Certificate of Incorporation dated August 27, 2011 issued by the Registrar of Companies, West Bengal, Kolkata vide CIN: U18109WB2011PTC166895 in the name of Iris Clothing Private Limited.
3. Fresh Certificate of Incorporation dated 24.07.2018 issued by the Registrar of Companies, West Bengal, Kolkata dated 24.07.2018 pursuant to conversion from private to public company.

### III. APPROVALS/LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

#### **A. Under Direct and Indirect Laws**

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1.	Registration in Income Tax Department	Income Tax Department, Govt. of India	PAN: AACCI6963K	Perpetual	-
2.	Allotment of Tax Deduction Account Number (TAN)	Income Tax Department, Govt. of India	TAN: CALI03608D	Perpetual	-
3.	Registration under Goods and Service Tax for West Bengal.	Central Board of Excise and Customs, Central Excise Division, UttarPradesh	GSTIN: 19AACCI6963K1Z0	Perpetual	-

4.	Certificate of Enrolment - Profession Tax	The West Bengal State Tax on Profession, Trades, Callings and Employments Rule, 1979.	192011588659	Perpetual	-
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**B. Under Industrial and Labour Law**

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1.	Registration under Employees Provident Funds and Miscellaneous Act, 1952 for Property situated at 103/24/1, Foreshore Road, Shibpur, Howrah – 711102.	Employees Provident Fund Organization, Regional Office: Howrah	EPF Code: WB/HWR/CC-1/56997/Z-12/A-2/503	Perpetual	Primary Activity: Manufacturing – Textile
2.	Registration under Employees' State Insurance Act, 1948 for property situated at 103/24/1, Foreshore Road, Shibpur, Howrah – 711102.	Employees' State Insurance Corporation,	ESI Code: 41000315360000199	Perpetual	-
3.	Registration under The Factories Act, 1948, The West Bengal Factories Rules, 1958, The Payment of Wages Act, 1936, The West Bengal Payment of Wages Rules, 1958, The Maternity Benefit Act, 1961				



	Satgharia, Panchla Howrah – 711322	Government of West Bengal Directorate of Factories	021119 (License No.)	29/06/2026	-
	Belvedere Mill Compound, South Sankrail, Howrah	Government of West Bengal Directorate of Factories	46-HW/X/13 (Registration No.)	Perpetual	-

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions , if any
4.	Memorandum for Manufacturing Enterprise  103/24/1, Foreshore Road, Howrah – 711102  44, Foreshore Road Howrah – 711102	Directorate of Micro, Small & Medium Enterprises Government of West Bengal	Enterprise Memorandum Number  19-016-12-02570E (Part-II)  19-016-12-01861E (Part-II)	Perpetual	-

5.	Certificate for 'Consent to Establish' U/s 25(i) of Water (Prevention and Control of Pollution) Amdt. Act, 1988 and U/s 21 of Air (Prevention and Control of Pollution) Amdt. Act, 1987. 44, Foreshore Road Howrah – 711102	West Bengal Pollution Control Board  West Bengal Pollution Control Board	2574/POL/DLC/HOW/09-10  1705/POL/DLC/HOW/09-10	Perpetual	-
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	<p>Certificate for 'Consent to Operate' U/s 25 &amp; 26 of the Water (Prevention and Control of Pollution) Amdt. Act, 1974 and U/s 21 of Air (Prevention and Control of Pollution) Amdt. Act, 1981. 103/24/1, Foreshore Road, Howrah – 711102.</p> <p>Consent to Establish (NOC) from Environmental Point of View. Belvedere Mill Complex shed No. V-I South Sankrail Howrah -13</p> <p>Certificate for 'Consent to establish' Satgharia, Panchla Howrah – 711322</p>	<p>West Bengal Pollution Control Board</p> <p>Directorate of Micro, Small &amp; Medium Enterprises Govt. Of West Bengal</p>	<p>NOC 023/9-PCB/HOW/70-14</p>		
6.	<p>Fire License 103/24/1, Foreshore Road, Howrah – 711102</p> <p>44, Foreshore Road Howrah – 711102</p> <p>Belvedere Mill Complex shed No. V-I South Sankrail</p>	<p>License under the West Bengal Fire Services Act, 1950</p> <p>License under the West Bengal Fire Services Act, 1950</p> <p>License under the West Bengal Fire Services Act, 1950</p>	<p>Application ID: IND/WB/FSL/20182019/30479</p> <p>Application ID: IND/WB/FSL/20182019/30484</p> <p>WBFL/3695/18</p>	<p>(Applied for Renewal)</p> <p>(Applied for Renewal)</p> <p>20/01/2019</p>	<p>-</p> <p>-</p>



	Howrah -711313 Satgharia, Panchla Howrah – 711322	License under the West Bengal Fire Services Act, 1950	Unique Application ID:IND/WB/FES/20172 018/3186	(Applied for Renewal)	
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### C. Other Registration and Certificates


Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions , if any
1.	Certificate of Importer – Exporter Code	Foreign Trade Development Officer	IEC No: 0207002282	Perpetual	-
2.	Trade License 44, Foreshore Road Howrah – 711102  103/24/1, Foreshore Road, Howrah – 711102	Howrah Municipal Corporation License Department  Howrah Municipal Corporation License Department	HMC/W36/60620/18  HMC/W36/60622/18	31.03.2019  31.03.2019	-  -
3.	Provisional Certificate of Trade Satgharia, Panchla Howrah – 711322  Provisional Certificate of Trade  Belvedere Mill Complex shed No. V-I South Sankrail Howrah -711313	Beldubi Gram Panchayat  Dakshin Sankrail Gram Panchayat	BGP/21/2018-19  86 (2018-19)	2018-19  2018-19	-  -

## **INTELLECTUAL PROPERTY**

In order to protect our intellectual property rights, we have applied for the application form for trademark registration summarized as follows: -

Sr. No.	Logo	Act Under Which Application Was Made	Country	Date of Application / Approval date	Application No./Trademark No.	Class	Current Status*	Valid Upto
1.		Trademarks Act, 1999	India	06/10/2008	1740371	25	Accepted & Advertised	-
2.	'Oxcgen'	Trademarks Act, 1999	India	19/02/2018	3757842	25	Objected	-
3.		Trademarks Act, 1999	India	09/08/2018	3912245	25	Accepted	

## **Copyright**

Sr. No	Description	Copyright	Registration No	Status
1.	Application for Registration of Copyright under the Copyright Act, 1957 vide CC no. 79352		Pending	Pending

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE OFFER

The Offer has been authorized by the Board of Directors vide resolution passed at its meeting held on July 27, 2018 and by the shareholders of our Company vide a special resolution passed at its Extra Ordinary General meeting pursuant to Section 62 (1)(c) of the Companies Act, 2013 on July 30, 2018. We have received in-principle approval from the NSE EMERGE for the listing of our Equity Shares pursuant to letter no. NSE/LIST/266 dated 6<sup>th</sup> September, 2018

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

We confirm that our Company, our Promoters, natural person in control of Promoter, Promoter Group, our Directors or the person(s) in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities. There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company or any natural person behind the Promoter are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority. There has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors

### PROHIBITION BY RBI

Neither our Company, nor our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a willful defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under section titled "**Outstanding Litigations and Material Developments**" beginning on page 190 of this Prospectus.

### ELIGIBILITY FOR THE OFFER

Our Company is eligible for the Issue in accordance with Regulation 106(M) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital is more than ten crore and upto twenty five crore and we shall hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "EMERGE Platform of the National Stock Exchange of India Limited")

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred per cent underwritten and that the Lead Manager to the Issue will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled "**General Information**" beginning on page 40 of this Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight working 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 laws. 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.

3. 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 the Prospectus with Stock Exchange and the Registrar of Companies.
4. 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 chapter titled "**General Information**" beginning on page 40 of this Prospectus.
5. The Company has track record of 3 Years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and Net worth of the Company is positive.
6. The Company has not been referred to Board for Industrial and Financial Reconstruction.
7. No petition for winding up is admitted by a court of competent jurisdiction against the Company.
8. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
9. The Company has a website [www.doreme.in](http://www.doreme.in)

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange. As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1),6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, VC CORPORATE ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE 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 INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER , VC CORPORATE ADVISORS PRIVATE 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 HAS FURNISHED TO STOCK EXCHANGE (SE) A DUE DILIGENCE CERTIFICATE DATED 24.09.2018 WHICH READS AS FOLLOWS:**

**WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING OFFER STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID OFFER.**
- 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 OFFER, 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 IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER 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 OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 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 SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE SE 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 OFFER. 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 OFFER. – NOT APPLICABLE**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER 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 OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER 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 OFFER.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015, AS ANNEXURE A
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS-TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE PROSPECTUS

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

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE OFFER UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES ISSUED THROUGH THIS OFFER SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS



IN ALL THOSE NEWSPAPERS IN WHICH PRE-OFFER ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE OFFER HAVE BEEN GIVEN.

3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER – NOTED FOR COMPLIANCE.
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.

**Note:** The filing of this Prospectus does not, however, absolve our company from any liabilities under section 34, section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in the Prospectus. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Kolkata, West Bengal in terms of sections 26, 32 and 33 of the Companies Act, 2013.

#### **TRACK RECORD OF PAST ISSUES HANDLED BY VC CORPORATE ADVISORS PRIVATE LIMITED**

The Lead Manager has not handled any issues in the past 3 years

#### **STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY VC CORPORATE ADVISORS PRIVATE LIMITED**

The Lead Manager has not handled any past issues in the past 3 years, hence this requirement is not applicable.

#### **DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, Our Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our website [www.doreme.in](http://www.doreme.in) would be doing so at his or her own risk.

#### **Caution**

The LM accepts no responsibility, save to the limited extent as provided in the public Issue Agreement entered amongst the LM (VC Corporate Advisors Private Limited), our Company dated 03.08.2018 and the Underwriting Agreement dated 12.09.2018 entered into between the Underwriters and our Company and the Market Making Agreement dated 12.09.2018 entered into among the Market Maker and our Company. All information shall be made available by our Company and the LM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere. The LM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have

engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

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

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500 Lakh and a minimum corpus of Rs. 2,500 Lakh, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe for Equity Shares Issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this 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 jurisdiction of the competent court(s) in Kolkata, West Bengal, India only. No action has been, or will be, taken to permit a public Offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be Issued 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 from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). The disclaimer clause as intimated by NSE to us, post scrutiny of this prospectus, shall be included in the Prospectus prior to filing with ROC. NSE has given vide its letter Ref.: NSE/LIST/266 dated 6<sup>th</sup> September, 2018.

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

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be Issued or sold within the

United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be Issued and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Application 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 Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra A copy of this Prospectus shall not be filed with the SEBI, nor will SEBI issue any observation on the Prospectus in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, Corporation Finance Department, SEBI Bhavan, Plot No. C4-A, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051, India for their record purpose only. A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata – 700020.

#### **LISTING**

The Equity Shares of our Company are proposed to be listed on NSE EMERGE. NSE has given its In-Principle approval for using its name in the Prospectus vide its letter dated 06.09.2018. NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer. If the permission to deal in and for an official quotation of the Equity Shares on the NSE EMERGE is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within eight (8) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) days, be liable to repay such application money, with interest at the rate as prescribed under the Companies Act, 2013. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the EMERGE Platform of NSE India Limited mentioned above are taken within Six (6) Working Days of the Closing Date.

#### **MPERSONATION**

*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*

*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 to action under section 447 of the Companies, Act 2013"*

## CONSENTS

Consents in writing of, Our Directors, Our Promoters, Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Peer Review Auditor, Key Managerial Personnel, Our Banker(s) to the Company; (b) Lead Manager, Registrar to the Offer, Banker(s) to the Offer, Legal Advisor to the Offer, Underwriter(s) to the Offer and Market Maker to the Offer to act in their respective capacities shall be obtained as required as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. In accordance with the Companies Act and the SEBI (ICDR) Regulations, AMK & Associates, Chartered Accountants, Statutory Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on “*Statement of Tax Benefits*” relating to the possible tax benefits and restated financial statements as included in this Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Prospectus.

## EXPERTS OPINION

Except for the reports in the section “*Financial Statements as Re-Styled*” and “*Statement of Possible Tax Benefits*” on page 131 and page 68 of this Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## EXPENSES OF THE OFFER

The Estimated Offer expenses are as under:-

Expenses	Expenses (Rs. In Lakhs)	Expenses (% of Total Issue expenses)	Expenses (% of total Issue size)
Payment to Merchant Banker including underwriting, brokerage and selling commission and payment to other intermediaries such as Legal Advisor, Registrar, Market Maker, Bankers, issue advertisers, issue printers, etc. and other out of pocket expenses	45.00	90%	4.06%
Regulatory Fees and other Expenses	5.00	10%	0.45%
<b>Total estimated Issue Expenses</b>	<b>50.00</b>	<b>100%</b>	<b>4.51%</b>

## FEES, BROKERAGE AND SELLING COMMISSION PAYABLE TO THE LM

The total fees payable to the LM will be as per the (i) Issue Agreement dated 03.08.2018 with the LM, VC Corporate Advisors Private Limited, (ii) the Underwriting Agreement dated 12.09.2018 with Underwriter (iii) the Market Making Agreement dated 14.09.2018 with Choice Equity Broking Private Limited; Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on all Working Days from the date of the Prospectus until the issue Closing Date.

## FEES PAYABLE TO THE REGISTRAR TO THE OFFER

The fees payable to the Registrar to the offer for processing of applications, data entry, printing of refund orders, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Offer dated 03.08.2018, a copy of which is available for inspection at our Company’s Registered Office. The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate

funds will be provided to the Registrar to the Offer to enable it to make refunds in any of the modes described in this Prospectus or send allotment advice by registered post/speed post.

#### **PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE (5) YEARS**

Our Company has not made any previous public issue in India or Abroad the five (5) years preceding the date of this Prospectus. However the Company came out with the right issue the details of which are disclosed in the section titled "**Capital Structure**" beginning on page 47 of this Prospectus

#### **PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH**

For detailed description please refer to section titled "**Capital Structure**" beginning on page 47 of this Prospectus.

#### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION ON PREVIOUS ISSUES**

The underwriting commission and selling commission for this Offer will be set out in the Underwriting Agreement entered between our Company and the Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws. This Offer is an "Initial Public Offering" in terms of the SEBI ICDR Regulations.

#### **PERFORMANCE VIS-A-VIS OBJECTS – PUBLIC/ RIGHT ISSUE OF OUR COMPANY AND /OR LISTED GROUP COMPANIES/ SUBSIDIARIES AND ASSOCIATES OF OUR COMPANY**

Except as stated under section titled "**Capital Structure**" beginning on page 47 of this Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange. This Offer is an "Initial Public Offering" in terms of the SEBI ICDR Regulations.

#### **PERFORMANCE VIS-A-VIS OBJECTS - LAST ISSUE OF GROUP/ASSOCIATE COMPANIES**

All of our Group / Associate are unlisted and have not made a public issue of shares in the last ten (10) years preceding the date of this Prospectus. This Offer is an "Initial Public Offering" in terms of the SEBI ICDR Regulations.

#### **OUTSTANDING DEBENTURES OR BOND ISSUES OR REDEEMABLE PREFERENCE SHARES**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Prospectus.

**OUTSTANDING CONVERTIBLE INSTRUMENTS** Our Company does not have any outstanding convertible instruments as on the date of filing this Prospectus.

**OPTION TO SUBSCRIBE** Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

**STOCK MARKET DATA OF THE EQUITY SHARES** This being a public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

**MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES** The Agreement amongst the Registrar to the Offer, our Company provides for retention of records with the Registrar to the Offer for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Offer for redressal of their grievances. All grievances relating to the Offer may be

addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted. All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection centre of the SCSBs where the Application Form was submitted by the ASBA Applicants. The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. Our Company has appointed CS Sweta Agarwal, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Offer. Contact details for our Company Secretary and Compliance Officer are as follows:

**Ms. Sweta Agarwal**

Iris Clothings Limited

Address: 103/24/1, Foreshore Road Shibpur, Binani Metal compound, Howrah- 711102

**CIN:** U18109WB2011PLC166895

**Website:** [www.doreme.in](http://www.doreme.in)

**Email id:** [accounts@irisclothings.in](mailto:accounts@irisclothings.in)

Investors can contact the Compliance Officer or the Registrar in case of any pre-offer or post-offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

#### **STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this 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 our Company

#### **CHANGE IN AUDITORS DURING THE LAST THREE (3) YEARS**

Except as stated below, there are no changes in our statutory auditors in last 3 years:

<b>Sr. No</b>	<b>Particulars</b>	<b>Statutory Auditor</b>	<b>Reasons</b>
1.	2018-19	R Rathi & Co	Resignation due to Pre occupations
2.	2018-19	AMK & Associates	Appointment

#### **CAPITALIZATION OF RESERVES OR PROFITS**

Except as disclosed under section titled "**Capital Structure**" beginning on page 47 of this Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets in five (5) years preceding the date of this Prospectus.

#### **TAX IMPLICATIONS**

Investors who are allotted Equity Shares in the Offer will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "**Statement of Possible Tax Benefits**" beginning on page 68 of this Prospectus.

#### **PURCHASE OF PROPERTY**

Other than as disclosed under section titled "**Our Business**" beginning on page 83 of this Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Offer or the purchase or acquisition of which has not been completed on the date of the Prospectus, other than property, in respect of which:- The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Offer, or that the Offer was contemplated in consequence of the contract; or the amount of the purchase money is not material. Except as stated elsewhere in the Prospectus, our Company has not purchased any property in which the Promoter and/ or Directors have any direct or indirect interest in any payment made there under.

#### **SERVICING BEHAVIOR**

Except as stated in this Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

#### **PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation

Except as disclosed under sections titled "**Our Management**" and "**Related Party Transactions**" beginning on pages 111 and 129 respectively of this Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company

## OFFER INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being offered are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Prospectus, the Prospectus, the Abridged Prospectus, Application Form, the Revision Form, CAN/ Allotment Advices, and other terms and conditions as may be incorporated in the documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Gol, the Stock Exchanges, the RoC, the RBI, and/ or other authorities, as in force on the date of the Offer and to the extent applicable.*

*Please note that in terms of SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorizing the banks to make payment in case of allotment by signing the application forms.*

### RANKING OF EQUITY SHARES

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the MoA and AoA and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see the section entitled "**Main Provisions of Articles of Association**" on page 263 of this Prospectus.

### MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividends, if declared, to the Shareholders in accordance with 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 130 and 263, respectively of this Prospectus.

### FACE VALUE AND OFFER PRICE

The face value of each Equity Share is Rs. 10/- and the Offer Price determined by our Company in consultation with the Lead Manager and is justified under the section titled "**Basis for Issue Price**" beginning on page 65 of this Prospectus. At any given point of time there shall be only one denomination of Equity Shares.

### COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations as amended time to time. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association of our Company, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;



- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory and other preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable law, including any RBI Rules and Regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the previous Companies Act, as may be applicable, terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For further details on the main provision of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/ or consolidation / splitting, etc., please refer to section titled "**Main Provisions of Articles of Association**" beginning on page 263 of this Prospectus.

#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

In terms of section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 1600 Equity Shares and the same may be modified by the EMERGE Platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Prospectus will be done in multiples of 1600 Equity Shares subject to a minimum allotment of 1600 Equity Shares to the successful applicants in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

#### **JOINT HOLDERS**

Where two (2) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

#### **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company. In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of

ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **WITHDRAWAL OF THE OFFER**

Our Company, in consultation with the Lead Manager, reserve the right not to proceed with the Offer after the Offer Opening Date but before the Allotment. In such an event, our Company would offer a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh Prospectus with SEBI.

#### **OFFER PROGRAMME**

<b>Offer Opening date</b>	<b>October 10, 2018</b>
<b>Offer closing date</b>	<b>October 12, 2018</b>
<b>Finalization of the basis of allotment with the Designated Stock Exchange</b>	<b>October 17, 2018</b>
<b>Initiation of refunds/unblocking of funds from ASBA Account</b>	<b>October 17, 2018</b>
<b>Credit of equity shares to demat account of Allotees</b>	<b>October 19, 2018</b>
<b>Commencement of trading of the equity shares on the stock exchange</b>	<b>October 23, 2018</b>

#### **MINIMUM SUBSCRIPTION**

In accordance with Regulation 106P (1) of SEBI (ICDR) Regulations, this Offer is 100% underwritten. Also, in accordance with explanation to Regulation 106P(1) of SEBI (ICDR) Regulations, the underwriting shall not be restricted to any minimum subscription level. This Offer is 100% underwritten and the details of the same have been disclosed under section titled "**General Information**" beginning on page 40 of this Prospectus.

As per section 39 of the new Companies Act, if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of thirty (30) days from the date of offer of Prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Offer through this Offer Document including devolvement of Underwriters within sixty (60) days from the date of closure of the offer, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond eight (8) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act, 2013 and applicable law.

Further, in accordance with Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be fifty (50). In case the minimum number of prospective allottees is less than fifty (50), no

allotment will be made pursuant to this Offer and the amounts in the ASBA Account shall be unblocked forthwith.

Further, in accordance with Regulation [106Q] of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of 1600 equity 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 EMERGE platform of NSE.

#### **APPLICATION BY ELIGIBLE NRIS, FPIS/FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI**

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFS. Such Eligible NRIs, FPIs/FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS OFFER.**

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("**FDI**") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the Pre-Offer Equity Shares and Promoter minimum contribution in the Offer as detailed in the section titled "**Capital Structure**" beginning on page 47 of this Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfer and transmission and on their consolidation / splitting of Equity Shares. For further details, please refer to the section titled "**Main Provisions of Articles of Association**" beginning on page 263 of this Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the LM are not liable to*

*inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

#### **OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM**

As per Section 29 of the Companies Act, 2013 and in accordance with SEBI (ICDR) Regulations, every company making public Offer shall issue securities only in dematerialized form only. Hence, the Equity Shares being Offered can be applied for in the dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange. Applicants will not have an option of Allotment of the Equity Shares in physical form.

#### **MIGRATION TO MAIN BOARD**

Our Company may migrate to the Main Board of National Stock Exchange of India Limited from NSE EMERGE on late date subject to the following:

- If the Paid up Capital of our Company is likely to increase above Rs. 25 Crore by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which our Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- If the Paid up Capital of the company is more than Rs. 10 crore but below Rs. 25 crore, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal

#### **MARKET MAKING**

The Equity Shares offered through this Offer are proposed to be listed on the EMERGE Platform of NSE (SME Exchange), wherein Choice Equity Broking Private Limited is the Market Maker to this Offer shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of three (3) years from the date of listing on the EMERGE Platform of NSE. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to section titled "**General Information** - Details of the Market Making Arrangements for this Offer" beginning on page 40 of this Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

<b>Offer Size</b>	<b>Buy Quote Exemption threshold (Including mandatory initial inventory of 5% of the offer size)</b>	<b>Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of offer size)</b>
Upto Rs. 20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give two (2) way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) 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.

#### **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this offer.

#### **JURISDICTION**

Exclusive jurisdiction for the purpose of this Offer is with the competent courts / authorities in Kolkata, West Bengal, India

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be Issued or sold within the United States to, or for the account or benefit of "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. Securities Act and applicable U.S. state Securities laws. Accordingly, the Equity Shares are only being Issued or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those Issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 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 exceed more than ten 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 NSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "Terms of the Issue" and "Issue Procedure" beginning on page nos. 210 and 219 respectively of this Prospectus

### Issue Structure

Initial Public Issue of 12,30,400 Equity Shares of Rs. 10 each (the "Equity Shares") for cash at a price of Rs. 90/- per Equity Share (including a Share premium of Rs 80 per Equity Share) aggregating to Rs. 1,107.36 ("the Issue") by Iris Clothings Limited (ICL" or the "Company" or the "Issuer").

The issue comprises a reservation 62,400 Equity Shares of Rs. 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and a Net Issue to Public of 11,68,000 Equity Shares of Rs. 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 26.39% and 25.0%, respectively of the post issue paid up equity share capital of the company. The Issue is being made through the Fixed Price Process.

Particulars of the Issue	Net Issue to public	Market Maker Reservation Portion
Number of Equity Shares available for allocation	Upto 12,30,400 equity shares	Upto 62,400 equity shares
Percentage of Issue Size available for allocation	94.93% of the issue size	5.07% of the issue size
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of 1600 Equity Shares and further allotment in multiples of 1600 Equity Shares each. For further details please refer to the chapter titled "Issue Procedure-Basis of Allotment" beginning on page 219 of this Prospectus	Firm Allotment
Mode of Application	All the applicants shall make the application (online or physical) through the ASBA Process only	ASBA process only
Minimum Application Size	<b>For QIB and NII:</b>  Such number of Equity Shares in multiples of 1600 Equity Shares such that the Application Value exceeds Rs. 2.00 lakhs.  <b>For Retail Individuals:</b>  1600 Equity Shares	62,400 equity shares
Maximum Application Size	<b>For QIB and NII:</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 applicable	Upto 62,400 equity shares

	<b>For Retail Individuals:</b>  Such number of Equity Shares in multiples of 1600 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-.	
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	1600 Equity Shares	1600 Equity Shares, however the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present offer 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.**

#### **Withdrawal of the Issue**

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

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 the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering/Issue of Equity Shares, the Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

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

**Issue Programme**

Issue Opening Date	Wednesday, October 10, 2018
Issue Closing Date	Friday, October 12, 2018

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Offer 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 "PART B – General Information Document"**, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 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 Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Offer.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)(Fifth Amendment)Regulations, 2015, there have been certain changes in the issue procedure for initial public offering including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days. These changes are applicable for all public issues which open on or after January 1, 2016.

**Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change.** Our Company, the Selling Shareholder 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. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Prospectus and the 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.

**Our Company, the Selling Shareholder and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Prospectus.**

## PART A

### FIXED PRICE ISSUE PROCEDURE

The Offer is being made in compliance with the provisions of Reg. 106(M)(2) of Chapter XB of the SEBI (ICDR) Regulations, 2009 and as amended via Fixed Price process wherein 50% of the net offer to Public shall be available for allocation to Retail Individual applicants and the balance shall be available for allocation to QIBs and Non-Institutional applicants. Further 5% of the Offer shall be reserved for allocation to the Market Maker.

Under-subscription, if any, in any category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholder in consultation with the LM and the Designated Stock Exchange, subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**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 dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. Further the Equity shares on allotment shall be trade only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.**

### APPLICATION FORM

Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA Mode.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis(ASBA)	Blue

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Offer, shall submit a completed application form to any of the following Intermediaries (Collectively called "**Designated Intermediaries**"):

Sr. No	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
4.	A depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an offer and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical or electronic mode, respectively.*

Designated Intermediaries shall submit Application Forms to SCSBs only.

The upload of the details in the electronic application system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic application 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.
<b>For applications submitted by investors to intermediaries other than SCSBs</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic application system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Stock Exchange(s) shall validate the electronic 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 intermediaries concerned, for rectification and re-submission within the time specified by the stock exchange.

Stock exchange(s) shall allow modification of selected fields in the details already uploaded on a daily basis.

#### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Offer, and Registrar to the Offer, as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com).

#### **WHO CAN APPLY?**

Each Applicant should check whether it is eligible to apply under applicable law.

In addition to the category of Applicants as set forth under —Part B - 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:

- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non-Institutional Investors category;
- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them

#### **Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

The information below is given for the benefit of the applicants. Our Company and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations

and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.

#### **GROUNDINGS FOR TECHNICAL REJECTION**

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 finalization 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 in this Prospectus:

- a. 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);
- b. Applications by OCBs; and
- c. 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;
- d. 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;
- e. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f. Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- g. DP ID and Client ID not mentioned in the Application Form;
- h. 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;
- i. In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j. Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k. Applications at a price less than the price fixed for IPO;
- l. Applications at Cut-off Price by NIIs and QIBs;
- m. The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for; with respect to Applications by ASBA Applicants, the amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for;
- n. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o. In relation to ASBA Applications, submission of more than five Application Form as per ASBA Account;
- p. Applications for an Application Amount of more than Rs. 2 Lakh by RIIs by applying through non-ASBA process;
- q. Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the prospectus;
- r. Applications as defined in this GID and the Prospectus;
- s. 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;
- t. 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;
- u. Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks; with respect to ASBA Applications, where no confirmation is received from SCSB for blocking of funds;

- v. Applications by QIBs (other than Anchor Investors) and Non Institutional Applicants not submitted through ASBA process or Applications by QIBs (other than Anchor Investors) and Non Institutional;
- w. Applicants accompanied with cheque(s) or demand draft(s);
- x. Applications submitted to a LM at locations other than the Specified Cities and Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- y. Applications not uploaded on the terminals of the Stock Exchanges; 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

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For Retail Individual Applicants**

The Application must be for a minimum of 1600 Equity Shares and in multiples of 1600 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2 Lakh. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2 Lakh.

##### **2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2 Lakh and in multiples of 1600 Equity Shares thereafter. An Application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2 Lakhs 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. The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholder 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.**

#### **PARTICIPATION BY ASSOCIATES /AFFILIATES OF LM AND THE SYNDICATE MEMBERS**

The LM and Syndicate Members, if any shall not be entitled to subscribe to this Offer in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Offer, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

#### **OPTION TO SUBSCRIBE IN THE OFFER**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form. Furnishing the information in respect of depositories account is mandatory and applications without depositories account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of shares in physical form as mentioned above. However, they may get the shares re-materialized subsequent to allotment.

- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/ minimum number of Equity Shares that can be held by him/ her/ it under the relevant regulations/ statutory guidelines and applicable law

#### **INFORMATION FOR THE APPLICANTS**

1. Our Company and the Lead Manager shall declare the Offer Opening Date and Offer Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Offer Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Manager, the Registrar to the Offer, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office / Corporate Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs), the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants
10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

## **APPLICATION BY MUTUAL FUNDS**

As per the Current regulations, the following restrictions are applicable for investments by Mutual Fund

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid up share capital carrying voting rights.

With respect to Application by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company and the Selling Shareholder reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Application in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

## **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIs APPLYING ON NON-REPATRIATION BASIS**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations /institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (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 Equity Shares exceeding the number of Equity Shares Offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

## **APPLICATIONS BY ELIGIBLE NRIS/ FPI'S ON REPATRIATION BASIS**

Application Forms have been made available for eligible NRIs at our registered office and at the office of the Lead Manager to the Offer.

Eligible NRIs Applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the category.

The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for this category. Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30(thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

**As per the Current Regulations, the following restrictions are applicable for Investments by FPIs**

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where “infrastructure” is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as “Infrastructure Finance Companies” (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Issue and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - a. A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - b. Nothing contained in clause (a) shall apply to:
    - i. Any transactions in derivatives on a recognized stock exchange;
    - ii. Short selling transactions in accordance with the framework specified by the Board;
    - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - iv. Any other transaction specified by the Board.
  - c. No transaction on the stock exchange shall be carried forward;
  - d. The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:
4. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
5. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
6. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
7. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
8. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;



9. Any Application for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
10. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the Issue or subscribing to the unsubscribed portion of the Issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
11. Any other transaction specified by Board. a) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:
12. Provided that any shares held in non-dematerialized form, before the commencement of these regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.
13. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
14. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
15. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
16. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
17. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.
18. No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:
19. Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
20. Such offshore derivatives instruments are issued after compliance with “know your client” norms:  
 Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly:  
 Provided further that, no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

#### **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 LLP Act, 2008 must be attached to the Application Form. Failing this, our Company and the Selling Shareholder reserves the right to reject any Applications without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company and the Selling Shareholder, in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- a. Equity shares of a company: The lesser of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b. The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- c. The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

#### **APPLICATIONS UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakh (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakh, 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 and the Selling Shareholder reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

With respect to the Applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company and the Selling Shareholder reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company and the Selling Shareholder reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the

Company and the Selling Shareholder reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company and the Selling Shareholder reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lakh and pension funds with minimum corpus of Rs. 2500 Lakh, 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, the Company and the Selling Shareholder reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

#### **APPLICATION BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakh (subject to applicable law) and pension funds 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 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 reason thereof.

The above information is given for the benefit of the Applicant. Our Company, the Selling Shareholder, LM and Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Prospectus.

#### **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 and the Selling Shareholder, severally and not jointly, reserve the right to reject any Application without assigning any reason therefore. 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.

## **METHOD AND PROCESS OF APPLICATIONS**

1. The Designated Intermediaries shall accept applications from the Applicants during the Offer Period.
2. The Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Offer Period may be extended, if required, by an additional three Working Days, subject to the total Offer Period not exceeding 10 Working Days.
3. During the Offer Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic application system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

## **ISSUANCE OF A CONFIRMATION OF ALLOCATION NOTE ("CAN") AND ALLOTMENT IN THE OFFER**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the LM or Registrar to the Offer shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Offer.
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

## **TERMS OF PAYMENT**

The entire Offer price of Rs. 90/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The Applicants should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, Banker to the Issue and the Registrar to the Offer to facilitate collections from the Applicants.

### **Payment Mechanism**

The Applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

*Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public issue can only invest through ASBA Mode.*

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Offer Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - i. the Applications accepted by them,
  - ii. the Applications uploaded by them
  - iii. the Applications accepted but not uploaded by them or
  - iv. With respect to applications by Applicants, Applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Applications accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - i. the Applications accepted by any Designated Intermediaries
  - ii. the Applications uploaded by any Designated Intermediaries or
  - iii. the Applications accepted but not uploaded by any Designated Intermediaries

5. The Stock Exchange will offer an electronic facility for registering applications for the Offer. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries 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 online facilities on a regular basis. On the Offer Closing Date, the Designated Intermediaries 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.
6. With respect to Applications by Applicants, at the time of registering such applications, the Syndicate Bankers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sr. No.	Details
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

1. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applications into in the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
2. 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 ASBA Application Form number which shall be system generated
3. The aforesaid Designated Intermediaries shall, at the time of receipt of Application, give an acknowledgment to the 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 as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
4. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

5. In case of Non Retail Applicants and Retail Individual Applicants, Applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
6. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock 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 Exchanges.
7. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer 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.
8. The SCSBs shall be given one day after the Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.
9. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for Application

#### **ALLOCATION OF EQUITY SHARES**

1. The Offer is being made through the Fixed Price Process wherein 62,400 Equity Shares shall be reserved for Market Maker. 5,84,000 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid Applications being received from Retail Individual Applicants at the Offer Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Applicants.
2. Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
3. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
4. In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
5. Allotment status details shall be available on the website of the Registrar to the Offer.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

- a. Our company has entered into an Underwriting Agreement dated 12.09.2018
- b. A copy of Prospectus will be filled with the RoC in terms of Section 26 of Companies Act, 2013.

#### **PRE-OFFER ADVERTISEMENT**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-

Offer advertisement, we stated the Offer Opening Date and the Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, was in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

#### **ISSUANCE OF ALLOTMENT ADVICE**

- a. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- b. The Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Offer.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

#### **GENERAL INSTRUCTIONS**

##### **Do's:**

1. Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
4. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
5. If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
6. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
7. 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 Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
8. Ensure that you request for and receive a stamped acknowledgement of your Application;
9. 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 SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
10. Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
11. Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a 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 a 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;



12. Ensure that the Demographic Details are updated, true and correct in all respects;
13. 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;
14. Ensure that the category and the investor status is indicated;
15. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
16. Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
17. 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 Exchanges 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;
18. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
19. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
20. Ensure that you have correctly signed the authorisation/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 at the time of submission of the Application;
21. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
22. The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply for a price different from the price mentioned herein or in the Application Form;
3. Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
4. Do not pay the Application amount in cash, by money order or by postal order or by stock invest;
5. Do not send Application Forms by post, instead submit with the Designated Intermediary only;
6. Do not submit the Application Forms to any non-SCSB bank or our Company
7. Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
8. Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
9. Do not apply for an Application Amount exceeding Rs. 2 Lakh (for applications by Retail Individual Applicants);
10. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Offer Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
11. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
12. Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

13. Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
14. Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
15. Do not make more than five applications from one bank account.

#### **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 of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of NSE i.e. [www.nseindia.com](http://www.nseindia.com)

#### **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

Please note that, providing bank account details, PAN No's, Client ID and DP ID 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 as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front 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 Allotment 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.

#### **SUBMISSION OF APPLICATION FORM**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid 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.

#### **COMMUNICATIONS**

All future communications in connection with Applications made in this Offer should be addressed to the Registrar quoting the full name of the sole or First Applicant, Application Form number, Applicant

Depository Account Details, number of Equity Shares applied for, date of Application Form, name and address of the member of the Syndicate or the SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked. Applicants can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Offer related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, unblocking of funds, etc. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs.

#### **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-***

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***
- ii. 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***
- iii. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, Shall be liable to action under section 447 of the Companies, Act 2013”.***

#### **UNDERTAKINGS BY OUR COMPANY**

We undertake as follows:

1. That the complaints received in respect of the Offer shall be attended to by us expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Offer Closing Date.
3. That if the Company does not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly
4. That the Promoters’ contribution in full has already been brought in;
5. All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Offer Closing Date.
6. That no further issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
7. That if our Company or the Selling Shareholder do not proceed with the Offer after the Offer Closing Date, the reason thereof shall be given as a public notice within two days of the Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. That if the Company or the Selling Shareholder withdraws the Offer after the Offer Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company or the Selling Shareholder subsequently decides to proceed with the Issuer;

9. That adequate arrangements shall be made to collect all Application Forms in relation to ASBA and to consider them similar to non-ASBA applications while finalizing the basis of allotment; and
10. That none of the promoters or directors of the company is willful defaulter under Section 4(5) of SEBI (ICDR) Regulations, 2009 as per the *(Third Amendment) in SEBI (ICDR) Regulations, 2016 dated May, 25, 2016*.

The Selling Shareholder has authorized the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Applicants in respect of the Offer for Sale.

#### **UNDERTAKINGS BY SELLING SHAREHOLDER**

Selling Shareholder undertakes that:

1. The Equity Shares offered pursuant to the Offer for Sale have been held by the Selling Shareholder for a period of at least one year prior to the date of the Prospectus, other than the Equity Shares being offered having resulted from a bonus issue, the bonus issue has been on Equity Shares held for a period of at least one year prior to the filing of the Prospectus. The Equity Shares being offered in the Offer for Sale and issued under a bonus issue, were issued out of free reserves of our Company existing as on March 31, 2017;
2. The Selling Shareholder is/are the legal and beneficial owner of and has/have full marketable title to the Equity Shares being offered through the Offer for Sale;
3. The Equity Shares being sold by it in the Offer for Sale are in dematerialized form and shall be transferred to the Allottees free and clear of any liens, charges, or encumbrances, or transfer restriction of any kind (including but not limited to, pre-emptive rights);
4. The Selling Shareholder will not have recourse to the proceeds of the Offer For Sale, until approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;
5. The Selling Shareholder will not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares available in the Offer for Sale;
6. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by the Selling Shareholder in proportion to the Equity Shares offered by it in the Offer;
7. The Selling Shareholder shall reimburse the Company for any interest paid by the Company at 15% per annum or as per applicable law on a pro-rata basis in proportion to the Equity Shares proposed to be transferred by it as a part of the Offer, if CAN or refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or NECS, the refund instructions have not been issued to the clearing system in the disclosed manner within 15 days from the closure of the Offer; and
8. The Selling Shareholder will take all such steps as may be required to ensure that the Equity Shares being sold by it/them in the Offer for Sale are available for transfer in the Offer for Sale within the time period specified under applicable law.

The Selling Shareholder has authorized the Compliance Officer and the Registrar to the Offer to redress complaints, if any, in relation to the Equity Shares held by it and being offered pursuant to the Offer, it shall extend reasonable cooperation to the Company and the LMs in this regard.

#### **UTILIZATION OF ISSUE PROCEEDS**

Our Company declares that all monies received out of the Offer 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.

## **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated 16.08.2018 between NSDL, the Company and the Registrar to the Company;
- b. Agreement dated 16.08.2018 between CDSL, the Company and the Registrar to the Company;

The Company's equity shares ISIN is INE01GN01017

## **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). 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 its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account,

provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Offer to detect multiple Applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **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 the PAN 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.

**Our Company/ Registrar to the Offer/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

## 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 the Prospectus/ Prospectus before investing in the Issue.

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken inter-alia through the Fixed Price Issues. The purpose of the **“General Information Document for Investing in Public Offer”** 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 Offer; 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 Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and 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(s) of the **LM** to the Offer and on the website of Securities and Exchange Board of India (**“SEBI”**) 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 “Definitions and Abbreviations” on page 2 of the Prospectus.

#### SECTION 2: BRIEF INTRODUCTION TO IPOS ON SME EXCHANGE

##### Initial public Issue (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 Chapter XB of SEBI (ICDR) regulations, wherein as per,

- Regulation 106M(1) : An issuer whose post-issue face value capital does not exceed ten crore 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 crore rupees and upto twenty five crore rupees, may also issue its specified securities in accordance with provisions of this Chapter.

The present Offer is being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

#### 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, 1956 and the Companies Act, 2013 as may be applicable (“the Companies Act), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- In accordance with Regulation 106(P) of SEBI (ICDR) Regulation, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- In accordance with regulation 106(R) of SEBI (ICDR) Regulation, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
- In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, Company is not required to file any Issue Document with SEBI nor has SEBI issued any observations on the Issue 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.
- In accordance with Regulation 106(V) of the SEBI (ICDR) Regulation, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares Issued in the Issue.
- The Issuer shall have a track record of three years.
- The Net worth (excluding revaluation reserves) of the Issuer shall be positive as per the latest audited financial results.
- The Issuer should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years.
- The Post-issue paid up capital of the Issuer shall be less than Rs. 25 Crores.
- The Issuer shall mandatorily facilitate trading in demat securities.
- The Issuer should not have been referred to Board for Industrial and Financial Reconstruction.
- No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- 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.
- The Company should have a website

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B 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) Regulation, 2009 the provisions of regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Offer

Thus the Company is eligible for the Issue in accordance with Regulation 106M(2) and other provision of Chapter XB of SEBI (ICDR) Regulations as the post –issue face value capital does not exceed Rs. 2,500 Lakh. Company also complies with the eligibility conditions laid by the EMERGE Platform of NSE for listing of our Equity Shares.

#### **Types of Public Offer– 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 this Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Offer Opening Date, in case of an IPO and at least one Working Day before the Offer 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.

#### **Offer Period**

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Offer Period. Details of Offer Period are also available on the website of Stock Exchange.

#### **Migration to Main Board**

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

- 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), The Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

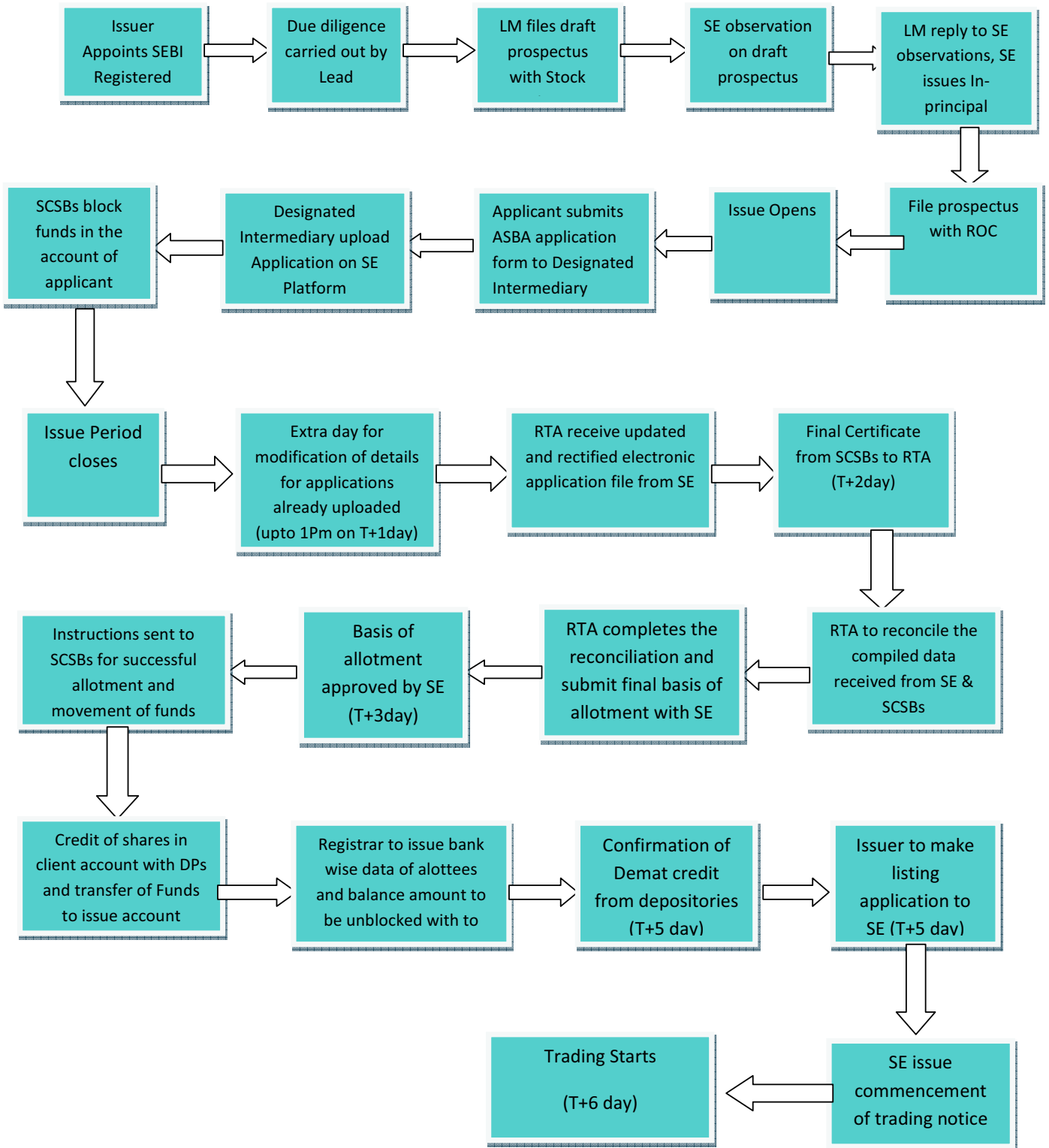
OR

- b. If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the

proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### Flowchart of Timelines

A flow chart of process flow in Fixed Price Issues is as follows



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

**Each Applicant should check whether it is eligible to apply under applicable law.**

Furthermore, certain categories of Applicants, such as NRIs, FIIs, 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 competent to contract under the Indian Contract Act, 1872, as amended, 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 may be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, VCFs and FVCIs registered with SEBI.
- Limited liability partnerships registered in India and authorized to invest in equity shares.
- Sub- accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non- Institutional Applicant's category.
- State Industrial Development Corporations.
- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Scientific and/ or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of Rs. 2500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Eligible QFIs;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no F.No.2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy, air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply to this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian Laws.

**Applications not to be made by:**

- Minors (except under guardianship)
- Partnership firms or their nominees
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies

As per the existing regulations, OCBs are not allowed to participate in an Issue

#### **SECTION 4: APPLYING IN THE OFFER**

##### **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 Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate 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 color of the Application Form for various categories of Applicants is as follows:

<b>Category</b>	<b>Color of the Application <sup>(1)</sup></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 investors under the QIB), FPIs on a repatriation basis	Blue

*(1) Excluding electronic Application Form*

##### **Instructions for Filing Application Form (Fixed Price Issue)**

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

TEAR HERE

COMMON BID cum APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R
Address: Contact Details: CEV No:
TO: THE BOARD OF DIRECTORS, XYZ LIMITED
Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE, BROKER'S/CSB/DP/RTA STAMP & CODE, NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER, BID-BROKER'S / BID-AGENT'S STAMP & CODE, KNOWN BANKING BRANCH STAMP & CODE, BANK BRANCH SERIAL NO., BCB SERIAL NO., PAN OF SOLE / FIRST BIDDER

A. BIDDER'S DEPOSITORY ACCOUNT DETAILS, B. INVESTOR'S STATUS

C. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF"), Table with columns: Bid Options, No. of Equity Shares, Bid Price, Retail Discount, Net Price, Cut-off Price, Category

D. PAYMENT DETAILS, E. ASBA, Amount paid, ASBA Bank A/c No., Bank Name & Branch

F. SIGNATURE OF SOLE / FIRST BIDDER, G. SIGNATURE OF ASBA BANK ACCOUNT HOLDER, H. STAMP (Acknowledging receipt of Bid in Stock Exchange system)

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R, Acknowledgement Slip for Broker/CSB/DP/RTA, Bid cum Application Form No.

DPID / CLID, Amount paid, ASBA Bank A/c No., Received from Mr/Ms, Telephone / Mobile, Email, Stamp & Signature of CSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R, No. of Equity Shares, Bid Price, Amount Paid, ASBA Bank A/c No., Bank & Branch, Acknowledgement Slip for Bidder, Bid cum Application Form No.

TEAR HERE

**COMMON BID CUM APPLICATION FORM**      **XYZ LIMITED - INITIAL PUBLIC ISSUE - NR**      For Eligible NRI, FI, FVCI, applying on Reconstitution Basis

Address: \_\_\_\_\_ Contact Details: \_\_\_\_\_ CIN No: \_\_\_\_\_

LOGO: **THE BOARD OF DIRECTORS**      **FIXED PRICE OME ISSUE**      Bid cum Application Form No. \_\_\_\_\_  
**XYZ LIMITED**      **INE00000000000**

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**4. SYNDICATE MEMBER'S STAMP & CODE**      **BROKER/SCSB/DP/ETA STAMP & CODE**      **1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER**

Mr./Ms. \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email: \_\_\_\_\_  
 Tel. No. (with STD code) / Mobile: \_\_\_\_\_

**2. PAN OF SOLE / FIRST BIDDER**

\_\_\_\_\_

---

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS**       NSDL       CDSL

Account Number: \_\_\_\_\_

**4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")**

Bid Option	No. of Equity Shares Bid (in figures) (Bid must be in multiples of 100)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 2 only) (in figures)				Cut-off Price (₹)	Category
		Bid Price	Retain Discount	Net Price			
Option 1	_____	_____	_____	_____	_____	<input type="checkbox"/>	
Option 2	_____	_____	_____	_____	_____	<input type="checkbox"/>	
Option 3	_____	_____	_____	_____	_____	<input type="checkbox"/>	

**5. Investor Status**

Non-Resident Indian (Repatriation basis)      NR  
 Foreign Institutional Investor      FI  
 Foreign Venture Capital Investor      FVCI  
 FI Sub Account Corporate/Individual      FI SA  
 Other (Please Specify)      OTH

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**6. PAYMENT DETAILS**      **PAYMENT OPTION: FULL PAY**

Amount paid (₹ in figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_  
 Bank Name & Branch: \_\_\_\_\_

IN THE EVENT OF BIDDING APPLICATION BEING HELD INVALID FOR ANY REASON, THE APPLICANT SHALL BE RESPONSIBLE FOR THE REDEMPTION OF THE BID CUM APPLICATION FORM AND THE APPLICANT SHALL BE RESPONSIBLE FOR THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC SECTOR (GID) AND HELD AT RISK AND CONFIRM THE "ISSUE UNDERMINING" AT GIVEN OVERLAP. I/WE HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR BIDDING OF THE BID CUM APPLICATION FORM GIVEN OVERLAP.

**7. SIGNATURE OF SOLE / FIRST BIDDER**      **8. SIGNATURE OF ASBA BANK/ACCOUNT HOLDER/DP/ETA (AS PER BANK RECORDS)**      **9. SIGNATURE/STAMP/DP/ETA (AS PER BANK RECORDS)**

\_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_

Date: \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_

TEAR HERE

LOGO: **XYZ LIMITED**      **Acknowledgement Slip for Bidder/SCSB/DP/ETA**      Bid cum Application Form No. \_\_\_\_\_

Address: \_\_\_\_\_      **INITIAL PUBLIC ISSUE - NR**      **EPFSA**      PAN of Sole / First Bidder: \_\_\_\_\_

Amount paid (₹ in figures) \_\_\_\_\_      Bank & Branch: \_\_\_\_\_      Stamp & Signature of SCSB/DP/ETA

ASBA Bank A/c No. \_\_\_\_\_

Received from Mr./Ms. \_\_\_\_\_

Telephone / Mobile: \_\_\_\_\_      Email: \_\_\_\_\_

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**10. SIGNATURE OF SOLE / FIRST BIDDER**      **11. SIGNATURE OF ASBA BANK/ACCOUNT HOLDER/DP/ETA**      **12. SIGNATURE OF SOLE / FIRST BIDDER**

\_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_

No. of Equity Shares Bid \_\_\_\_\_      Option 1 \_\_\_\_\_      Option 2 \_\_\_\_\_      Option 3 \_\_\_\_\_      Stamp & Signature of Bidder/SCSB/DP/ETA

Amount Paid (₹) \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_      Bank & Branch: \_\_\_\_\_

TEAR HERE

**Acknowledgement Slip for Bidder**

Bid cum Application Form No. \_\_\_\_\_



#### FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a. **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 Applicant) 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,
- b. The Designated Intermediaries and the Registrar to the Offer 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 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:
- e. ***“Any person who: • makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or • makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or • otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the said act.”***
- f. **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### 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.

### 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 Offer, 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.

### FIELD NUMBER 4: APPLICATION DETAILS

- a. The Issuer may mention Price in the Prospectus. However a prospectus registered with RoC contains one price.
- b. Minimum and Maximum Application Size
  - i. For Retails Individual Applicants the Application must be for a minimum of 1600 equity shares. As the application price payable by the retail individual Applicants cannot exceed Rs. 2.00 Lakh, they can make Application for only minimum Application size i.e for 1600 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. 2.00 Lakh and in multiples of 1600 Equity Shares thereafter. An Application cannot be submitted for more than the Offer 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

- c. **Multiple Applications:** An applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- 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, application bearing the same PAN may be treated as multiple applications by a Applicants 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 Bid clearly indicates the scheme for which the application has been made.
  - iii. Application by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs, and DP IDs.

#### **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a. 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 RIIs, and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b. An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c. 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 Bidder may refer to the Prospectus.

#### **FIELD NUMBER 6: INVESTOR STATUS**

- i. Each Bidder 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.
- ii. 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.
- iii. 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 Bid cum Application Form and Non-Resident Bid cum Application Form.
- iv. Applicants should ensure that their investor status is updated in the Depository records

#### **FIELD NUMBER 7: PAYMENT DETAILS**

- i. All Applicants are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Bid cum Application Form and the funds shall be blocked 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 Bidder.
- ii. All categories of investors can participate in the Issue only through ASBA mechanism.
- iii. Application Amount cannot be paid in cash, through money order or through postal order or through stock invest. d) Applicants who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price

#### **Payment instructions for Applicants**

- a. Applicants may submit the Bid cum Application Form either in physical mode or online mode to any Designated Intermediaries.

- b. Applicants should specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an Bidder 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.
- c. Bidder should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- d. Bidder shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e. From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.
- f. Applicants applying through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- g. Applicants applying through a Registered Broker, RTA or CDP should note that Bid cum Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in Bid cum 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 Bid cum Application Forms.
- h. ASBA Bidder applying directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i. Upon receipt of Bid cum 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 Bid cum Application Form.
- j. If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Bid cum Application Form may upload the details on the Stock Exchange Platform.
- k. 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.
- l. Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- m. The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid 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 Bid cum Application, as the case may be.
- n. SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

#### **Unblocking of ASBA Account**

- 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 Bids 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, if any, against each Bid, (ii) the amount to be transferred from the relevant bank

account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bid, 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 Bid 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 Bid cum Application Form and for unsuccessful Bid, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

#### **Discount (if applicable)**

- a. The Discount is stated in absolute rupee terms.
- b. RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts Issued in the Issue, Applicants may refer to the Prospectus.
- c. For the Applicants entitled to the applicable Discount in the Issue the Bid Amount less Discount (if applicable) shall be blocked

**Additional Instructions for NRIs** The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted

#### **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a. Only the First Bidder is required to sign the Bid cum 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 Bidder, then the Signature of the ASBA Account holder(s) is also required.
- c. In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Bid cum Application Form.
- d. Applicants must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected

#### **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.

1. All communications in connection with Applications made in the Issue should be addressed as under:
  - a. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, unblocking of funds, the Applicants should contact the Registrar to the Issue.
  - b. In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Applicants should contact the relevant Designated Branch of the SCSB or Registered Brokers or Registered RTA/DP, as the case maybe.
  - c. Bidder may contact the Company Secretary and Compliance Officer or LM in case of any other complaints in relation to the Issue.
2. The following details (as applicable) should be quoted while making any queries –

- a. Full name of the sole or Bidder, Bid cum Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
- b. name and address of the Designated Intermediary, where the Application was submitted; or
- c. In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked. For further details, Bidder may refer to the Prospectus and the Bid cum Application Form

For further details, Bidder may refer to the Prospectus and the Bid cum Application Form

#### **INSTRUCTIONS FOR FILING THE REVISIONFORM**

- a. During the Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.
- 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 in both the desired number of Equity Shares and the Bid Amount by using the Revision Form
- d. The Bidder can make this revision any number of times during the Issue Period. However, for any revision(s) in the Bid, the Applicants will have to use the services of the same Designated Intermediary through which such Bidder had placed the original Bid

A sample Revision form is reproduced below:

COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
	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	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr./Ms. _____ Address : _____ E-mail : _____ Tel. No (with STD code) / Mobile : _____
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	SCSB BANK/CSB BRANCH STAMP & CODE	2. PAN OF SOLE / FIRST BIDDER
		_____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
		For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID

PLEASE CHANGE MY BID				
Bid Options	No. of Equity Shares Bid (Difference in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)		
		Bid Price	Retail Discount	Net Price
Option 1				<input type="checkbox"/> "Cut-off" (Please tick)
OR Option 2				<input type="checkbox"/>
OR Option 3				<input type="checkbox"/>

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")				
Bid Options	No. of Equity Shares Bid (Difference in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)		
		Bid Price	Retail Discount	Net Price
Option 1				<input type="checkbox"/> "Cut-off" (Please tick)
OR Option 2				<input type="checkbox"/>
OR Option 3				<input type="checkbox"/>

4. PAYMENT DETAILS	Additional 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	_____		

THE SIGNATURE OF SOLE / FIRST BIDDER	THE SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	_____	

LOGO	XYZ LIMITED	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No. _____
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DDP / CLD	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	_____

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	No. of Equity Shares	_____	_____		
	Bid Price	_____	_____	_____	Acknowledgement Slip for Bidder
	Additional Amount Paid (₹)	_____	_____	_____	
ASBA Bank A/c No.	_____				Bid cum Application Form No. _____
Bank & Branch	_____				

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a. **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 Applicant) 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,
- b. The Designated Intermediaries and the Registrar to the Offer 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 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:
- e. **"Any person who:**
  - *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
  - *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
  - *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the said act."*
- f. **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### 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 Offer, 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 FIELD NUMBER 4: APPLICATION DETAILS

- a. The Issuer may mention Price in the Prospectus. However a prospectus registered with RoC contains one price.
- b. Minimum and Maximum Application Size
  - i. For Retails Individual Applicants the Application must be for a minimum of 1600 equity shares. As the application price payable by the retail individual Applicants cannot exceed Rs. 2.00 Lakh, they can make Application for only minimum Application size i.e for 1600 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. 2.00 Lakh and in multiples of 1600 Equity Shares thereafter. An Application cannot be submitted for more than the Offer 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
- c. **Multiple Applications:** An applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- 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, application bearing the same PAN may be treated as multiple applications by a Applicants 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 Bid clearly indicates the scheme for which the application has been made.
  - iii. Application by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs, and DP IDs.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a. 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 RIIs, and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b. An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c. 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 Bidder may refer to the Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- a. Each Bidder 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 Bid cum Application Form and Non-Resident Bid cum Application Form.
- d. Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- a. All Applicants are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Bid cum Application Form and the funds shall be blocked 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 Bidder.
- b. All categories of investors can participate in the Issue only through ASBA mechanism.
- c. Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- d. Applicants who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.



#### 4.1.7.1 Payment instructions for Applicants

- a. Applicants may submit the Bid cum Application Form either in physical mode or online mode to any Designated Intermediaries.
- b. Applicants should specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an Bidder 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.
- c. Bidder should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- d. Bidder shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e. From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.
- f. Applicants applying through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- g. Applicants applying through a Registered Broker, RTA or CDP should note that Bid cum Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in Bid cum 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 Bid cum Application Forms.
- h. ASBA Bidder applying directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i. Upon receipt of Bid cum 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 Bid cum Application Form.
- j. If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Bid cum Application Form may upload the details on the Stock Exchange Platform.
- k. 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.
- l. Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- m. The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid 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 Bid cum Application, as the case may be.
- n. SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

#### **4.1.8 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 Bids 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, if any, against each Bid,
  - ii. the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid,
  - iii. the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and
  - iv. details of rejected/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bid, 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 Bid 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 Bid cum Application Form and for unsuccessful Bid, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

##### **4.1.8.1 Discount (if applicable)**

- a. The Discount is stated in absolute rupee terms.
- b. RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts Issued in the Issue, Applicants may refer to the Prospectus.  
For the Applicants entitled to the applicable Discount in the Issue the Bid Amount less Discount (if applicable) shall be blocked.

##### **4.1.8.2 Additional Instructions for NRIs**

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted.

#### **4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a. Only the First Bidder is required to sign the Bid cum 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 Bidder, then the Signature of the ASBA Account holder(s) is also required.
- c. In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Bid cum Application Form.
- d. Applicants must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

#### **4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.

1. All communications in connection with Applications made in the Issue should be addressed as under:
  - a. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, unblocking of funds, the Applicants should contact the Registrar to the Issue.
  - b. In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Applicants should contact the relevant Designated Branch of the SCSB or Registered Brokers or Registered RTA/DP, as the case maybe.
  - c. Bidder may contact the Company Secretary and Compliance Officer or LM in case of any other complaints in relation to the Issue.
2. The following details (as applicable) should be quoted while making any queries –
  - a. Full name of the sole or Bidder, Bid cum Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - b. name and address of the Designated Intermediary, where the Application was submitted; or
  - c. In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked.

For further details, Bidder may refer to the Prospectus and the Bid cum Application Form.

#### **4.1.11 INSTRUCTIONS FOR FILING THE REVISION FORM**

- a. During the Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.
- 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 in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d. The Bidder can make this revision any number of times during the Issue Period. However, for any revision(s) in the Bid, the Applicants will have to use the services of the same Designated Intermediary through which such Bidder had placed the original Bid.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. 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. DIPP, issued the Consolidated FDI Policy Circular of 2016 ("**FDI Circular 2016**"), which, with effect from June 7, 2016, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 7, 2016. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2016 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 RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the nonresident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

**The Offer includes offers within India, to Indian institutional, non-institutional and retail investors in offshore transactions as defined in, and made in reliance upon exemptions from the registration requirements under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") including Regulation S ("Regulation S").**

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 Application for do not exceed the applicable limits under laws or regulations.

## SECTION IX: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Extra Ordinary General Meeting held on 09.07.2018 in substitution for and to the entire exclusion of, the regulations contained in the existing Articles of Association of the Company.

### IRIS CLOTHINGS LIMITED

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company

#### *Share capital and variation of rights*

- II. 1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.
2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,
- (a) One certificate for all his shares without payment of any charges; or
- (b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;
- (iii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iv) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.

4. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.  
(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.  
(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.  
(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking paripassu therewith.
8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
- 8 A. (i) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:
  - (a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.
  - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.
  - (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.
  - (ii) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
  - (iii) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.

**Lien**

9. (i) The company shall have a first and paramount lien
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at fixed time in respect of such shares; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:
- Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien :
- Provided that no sale shall be made
- (a) Unless a sum in respect of which the lien exists is presently payable; or
- (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

**Calls on shares**

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
- Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

- (iii) A call may be revoked or postponed at the discretion of the Board.
- 14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
- 15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for
  - (c) Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.
- (d) The common form of transfer shall be used by the Company.
  - payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- 17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
  - (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 18. The Board
  - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

***Transfer of shares***

- 19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
  - (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- 20. The Board may, subject to the right of appeal conferred by section 58 decline to register
  - (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - (b) any transfer of shares on which the company has a lien.
- 21. The Board may decline to recognize any instrument of transfer unless
  - (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;



- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of shares.
22. On giving not less than seven days' previous notice in accordance with section 91 and rules made 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: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### ***Transmission of shares***

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either
- (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
27. In case of a One Person Company
- (i) on the death of the sole member, the person nominated by such member shall be the person recognized by the company as having title to all the shares of the member;
  - (ii) the nominee on becoming entitled to such shares in case of the member's death shall be informed of such event by the Board of the company;

- (iii) such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable;
- (iv) on becoming member, such nominee shall nominate any other person with the prior written consent of such person who, shall in the event of the death of the member, become the member of the company.

#### ***Forfeiture of shares***

- 28. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
- 29. The notice aforesaid shall
  - (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- 30. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- 31. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
  - (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 32. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
  - (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- 33. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
  - (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
  - (iii) The transferee shall thereupon be registered as the holder of the share; and
  - (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- 34. The provisions of these regulations as to forfeiture shall apply in the case of non payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### ***Alteration of capital***

- 35. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

36. Subject to the provisions of section 61, the company may, by ordinary resolution,
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
37. Where shares are converted into stock,
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.
38. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

***Capitalization of profits***

39. (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.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause
- (iii) either in or towards
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

- (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
40. (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.
- (iv) Capital paid-up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

***Buy-back of shares***

41. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

***General meetings***

42. All general meetings other than annual general meeting shall be called extraordinary general meeting.
43. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) 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.

***Proceedings at general meetings***

44. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
45. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

46. 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 their members to be Chairperson of the meeting.
47. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
48. In case of a One Person Company
  - (i) the resolution required to be passed at the general meetings of the company shall be deemed to have been passed if the resolution is agreed upon by the sole member and communicated to the company and entered in the minutes book maintained under section 118;
  - (ii) such minutes book shall be signed and dated by the member;
  - (iii) the resolution shall become effective from the date of signing such minutes by the sole member.

#### ***Adjournment of meeting***

- 49.(i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### ***Voting rights***

50. Subject to any rights or restrictions for the time being attached to any class or classes of shares
  - (a) on a show of hands, every member present in person shall have one vote; and
  - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
52. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
  - (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
53. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
54. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
55. 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.

56. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### **Proxy**

57. 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.
58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
59. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:
- Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **Board of Directors**

60. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
61. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
- (b) in connection with the business of the company.
62. The Board may pay all expenses incurred in getting up and registering the company.
63. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
64. 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.
65. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
66. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and

additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### ***Proceedings of the Board***

- 67. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
  - (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- 68. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
  - (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- 69. 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.
- 70. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
  - (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
- 71. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
  - (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- 72. (i) A committee may elect a Chairperson of its meetings.
  - (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- 73. (i) A committee may meet and adjourn as it thinks fit.
  - (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
- 74. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
- 75. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
- 76. In case of a One Person Company

- (i) where the company is having only one director, all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118;
- (ii) such minutes book shall be signed and dated by the director;
- (iii) the resolution shall become effective from the date of signing such minutes by the director.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

77. Subject to the provisions of the Act,
- (i) 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;
  - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
78. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### ***The Seal***

79. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### ***Dividends and Reserve***

80. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
81. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
82. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
83. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
  - (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid;



but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

84. 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.
85. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
86. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
87. 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.
88. No dividend shall bear interest against the company.

Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law

#### **Accounts**

89. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

#### **Winding up**

90. Subject to the provisions of Chapter XX of the Act and rules made there under
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **Indemnity**

Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal

## 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 the 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 located at 103/24/1, Foreshore Road Shibpur, Binani Metal compound, Howrah- 711102, West Bengal 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 August 03, 2018 between our Company and the Lead Manager.
2. Agreement dated August 03, 2018 between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated September 12, 2018 between our Company, the Lead Manager and Underwriter.
4. Market Making Agreement dated September 14, 2018 between our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated 16.08.2018.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated 16.08.2018.
7. Banker's to the Issue Agreement dated September 12, 2018 between our Company, the Lead Manager, Escrow Collection Bank and the Registrar to the Issue.

#### Material Documents



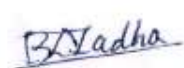

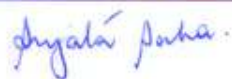
1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Board resolution dated July 27, 2018 and special resolution passed pursuant to Section 62(1)(C) of the Companies Act, 2013 at the EGM by the shareholders of our Company held on July 30, 2018.
3. Statement of Tax Benefits dated 13.08.2018 issued by our from the peer review certified Auditor, M/s. AMK & Associates, Chartered Accountants.
4. Copy of Restated Audit report from the peer review certified auditor, M/s. AMK & Associates, Chartered Accountants, dated 24.09.2018 included in the Prospectus.
5. Copy of Certificate from the Auditor regarding the source and deployment of funds.
6. Copies of Annual reports of the Company for the year ended March 31, 2018, 2017, 2016, 2015 and 2014.
7. Consents of Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Peer Review Statutory Auditor, Legal Advisor to the Issue, Bankers to our Company, Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the Prospectus to act in their respective capacities.
8. Due Diligence Certificate dated 14.09.2018 from the Lead Manager.
9. Copy of Approval dated 06.09.2018 from the SME Platform of NSE.

Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

All relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

Signed by all the Directors of our Company

Name and Designation	Signature
<b>Mr. Santosh Ladha</b> Managing Director DIN: 03585561	
Mrs. Geeta Ladha Executive Whole Time director DIN: 03585488	
Mr. Baldev Das Ladha Non Executive Director DIN: 03585566	
Mr. Rajesh Kumar Rathi Non Executive and Independent Director DIN: 00669100	
Mrs. Sujata Saha Non Executive and Independent Director DIN: 00856579	

Signed by the Chief Financial Officer and the Company Secretary and Compliance Officer of our Company

  
**Mr. Niraj Agarwal**  
Chief Financial Officer

  
**Mrs. Sweta Agarwal**  
Company Secretary and Compliance Officer

Place: Kolkata  
Date: 24.09.2018

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