



**PARIN FURNITURE LIMITED**

Our Company was originally incorporated as "Parin Furniture Private Limited" on September 12, 2006 vide Registration no. 049074 (CIN: U36101GJ2006PTC049074) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat Dadra & Nagar Havelli. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on March 17, 2018, our company was converted into a Public Limited Company and the name of our Company was changed to "Parin Furniture Limited" vide a fresh Certificate of Incorporation dated April 04, 2018 bearing CIN U36101GJ2006PLC049074 issued by the Registrar of Companies, Ahmedabad, Gujarat For further details please refer to chapter titled "History and Certain Corporate Matters" beginning on page 147.

**Registered Office:** Plot No. 6, Revenue Survey No. 149, National Highway, at Vavdi, Gondal Road, Rajkot, Gujarat – 360 004, India. **Tel. No.:** +91-281-3300777; **Fax No.:** +91-281-3063000; **Contact Person:** Ms. Krishna Subhashchandra Lodhiya, Company Secretary & Compliance Officer;

**E-mail:** cs@parinfurniture.com; **Website:** www.parinfurniture.com; **Corporate Identity Number:** U36101GJ2006PLC049074

**OUR PROMOTERS: MR. UMESH DHIRAJLAL NANDANI, MR. DEVEN DIPESH NANDANI AND MR. PARIN UMESHBHAI NANDANI**

**INITIAL PUBLIC OFFERING OF UP TO 38,00,000\* EQUITY SHARES OF FACE VALUE OF Rs. 10 EACH (THE "EQUITY SHARES"), AT AN ISSUE PRICE OF Rs. [●] PER EQUITY SHARE FOR CASH, AGGREGATING TO Rs.[●] LAKHS ["PUBLIC ISSUE"] OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF Rs. 10 EACH, AT AN ISSUE PRICE OF Rs. [●] PER EQUITY SHARE FOR CASH, AGGREGATING TO Rs. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF Rs. 10 EACH, AT AN ISSUE PRICE OF Rs. [●] PER EQUITY SHARE FOR CASH, AGGREGATING TO Rs. [●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARES IS Rs. 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN [●] EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF (A WIDELY CIRCULATED GUJARATI NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF RAJKOT, GUJARAT, WHERE OUR REGISTERED OFFICE IS SITUATED), AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE" REFERRED TO AS THE "STOCK EXCHANGE"), FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITE.**

*Our Company in consultation with BRLM may consider a Pre-IPO Placement of up to 6,00,000 Equity Shares for cash aggregating Rs. [●] Lakhs, at its discretion in favour of such investors permissible under applicable laws, to be completed prior to filing of the Red Herring Prospectus with the RoC and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Issue size, subject to compliance with Rule 19(2)(b) of SCRR.*

**THE FACE VALUE OF THE EQUITY SHARES IS Rs. 10 EACH AND THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES**

In case of any revisions in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and the terminals of the Syndicate Members

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI (ICDR) Regulations"), wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs. However, up to 5% of the QIB Portion will be available for allocation proportionately to Mutual Funds only, Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Issue will be available for allocation to Retail Individual Investors, in accordance with the SEBI (ICDR) Regulations, subject to valid Bids being received at or above the Issue Price. All investors shall participate in this Issue mandatorily through the Applications Supported by Blocked Amount ("ASBA") process by providing details of their respective bank accounts which will be blocked by SCSEBs. For details, refer "Issue Procedure" beginning on page 350.

**RISK IN RELATION TO THE ISSUE**

This being the first public Issue of the Equity Shares, there has been no formal market for the Equity Shares of our Company. The face value of our Equity Shares is Rs.10 each and the Floor Price and Cap Price are [●] times and [●] times of the face value of the Equity Shares, respectively. The Issue Price (as determined and justified by our Company in consultation with the BRLM, in accordance with the SEBI ICDR Regulations, and as stated in "Basis for Issue Price" on page 103 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 and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 20.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring 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 issued through this Draft Red Herring Prospectus are proposed to be listed on Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge" referred to as the "Stock Exchange") in terms of the Chapter XB of the SEBI (ICDR) Regulations, as amended. We have received in-principle approvals from NSE for the listing of the Equity Shares pursuant to letters dated [●] from NSE for using its name in the offer document for listing of our shares on the Emerge Platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be NSE.

**BOOK RUNNING LEAD MANAGER**

	<b>HEM SECURITIES LIMITED</b>
	904, Naman Midtown, A wing, Senapati Bapat Marg, Elphinstone Rd. Lower Parel, Mumbai-400013
	<b>Tel:</b> +91 22 49060000
	<b>Fax:</b> +91 22 22625991
	<b>Email:</b> ib@hemsecurities.com
	<b>Investor Grievance Email:</b> redressal@hemsecurities.com
	<b>Contact Person:</b> Mr. Anil Bhargava <b>Website:</b> www.hemsecurities.com <b>SEBI registration number:</b> INM000010981

**REGISTRAR TO THE ISSUE**

	<b>KARVY COMPUTERSHARE PRIVATE LIMITED</b>
	Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 India.
	<b>Tel.:</b> +91 40 6716 2222
	<b>Fax.:</b> +91 40 2343 1551
	<b>Email:</b> einward.ris@karvy.com
	<b>Investor Grievance Email:</b> parinfurniture.ipo@karvy.com
	<b>Contact Person:</b> Mr. M Murali Krishna <b>Website:</b> www.karisma.karvy.com <b>SEBI Registration No.:</b> INR000000221 <b>CIN :</b> U72400TG2003PTC041636

**BID/ISSUE PERIOD**

**BID/ISSUE OPENS ON**

[●]

**BID/ISSUE CLOSES ON\*\***

[●]

\*Number of shares may need to be adjusted for lot size upon determination of Issue price

\*\* Our Company in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.



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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring 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 Draft Red Herring 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 Tax Benefits”, “Financial Information of the Company” and “Main Provisions of Articles of Association” on pages 107, 187 and 401 respectively, shall have the meaning ascribed to such terms in such sections.*

#### General Terms

Terms	Description
“PFL” “the Company”, “our Company” and Parin Furniture Limited	Parin Furniture Limited, a Company incorporated in India under the Companies Act, 1956 having its registered office at Plot No. 6, Revenue Survey No. 149, National Highway at Vavdi, Gondal Road, Rajkot - Gujarat - 360004, India
“we”, “us”, “our”	Our Company and our Subsidiary
“you”, “your” or “yours”	Prospective investors in this Issue

#### Company related terms

Term	Description
Advisor to the Issue	The Advisor to the issue of our Company being CA Shilpang Karia
AOA / Articles / Articles of Association	Articles of Association of Parin Furniture Limited as amended from time to time.
Auditors/ Statutory Auditors	The Statutory Auditors of Parin Furniture Limited being M/s Bhavin Associates, Chartered Accountants (Firm Registration No. as 101383W), having office at Everest Complex, 7 <sup>th</sup> Floor, Office No. 709, Limda Chowk, Subhash Road, Rajkot – 360001
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015.
Bankers to the Company	[•]
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled " <b>Our Management</b> " beginning on page 152.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Mr. Kamal Manaharlal Shah
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Ms. Krishna Subhashchandra Lodhiya.
Depositories Act	The Depositories Act, 1996, as amended from time to time.



Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of the Company of face value of Rs. 10/- each unless otherwise specified in the context thereof.
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company.
Executive Directors	Executive Directors are the Managing Director of our Company.
GIR Number	General Index Registry Number.
Group Company	The word “Group Company”, wherever they occur, shall include such companies as covered under the applicable accounting standards and also other companies as considered material by the board of the issuer in its materiality policy and as disclosed in “ <i>Our Group Company</i> ” promoted by the Promoters on page 181.
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations.
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled “ <i>Our Management</i> ” beginning on page 152.
IT Act	The Income Tax Act, 1961 as amended till date
Indian GAAP	Generally Accepted Accounting Principles in India.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on April 16, 2018, in accordance with the requirements of the SEBI (ICDR) Regulations, 2009 as amended from time to time.
MOA / Memorandum of Association	Memorandum of Association of Parin Furniture Limited as amended from time to time.
Non-Executive Director	A Director not being an Executive Director.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015.
NRIs / Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s. J B Shah & Co. (Firm Registration No.: 121333W) having office at 302, Satkar Complex, Behind Lal Bunglow Opp. IFCI Bhavan, C G Road, Navrangpura, Ahmedabad-380009
Pre-IPO Placement	The private placement of up to 6,00,000 Equity Shares for consideration aggregating Rs. [●] Lakhs which may be undertaken by our Company, in consultation with the BRLM, at its discretion in favour of such investors as permissible under applicable laws, to be completed prior to filing the Red Herring Prospectus with the RoC and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of SCRR.
Promoters	Shall mean promoters of our Company i.e. Mr. Umesh Dhirajlal Nandani, Mr. Deven Dipesh Nandani and Mr. Parin Umeshbhai Nandani. For further details,



	please refer to section titled " <i>Our Promoters &amp; Promoter Group</i> " beginning on page 167.
Promoter Group	Includes such Persons and companies constituting our promoter group covered under Regulation 2(1) (zb) of the SEBI (ICDR) Regulations as enlisted in the section " <i>Our Promoters and Promoters Group</i> " beginning on page 167.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	Plot No. 6, Revenue Survey No. 149, National Highway, at Vavdi, Gondal Road, Rajkot - Gujarat - 360004, India
Restated Financial Statements	The restated financial statements of our Company's assets and liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014 and the restated statements of profit and loss and cash flows for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations, 2009 and the revised guidance note on reports in Company Prospectuses (Revised) issued by the ICAI, together with the schedules, notes and annexure thereto.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
RoC/ Registrar of Companies	Registrar of Companies, Gujarat, Ahmedabad
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
Slump Sale	A slump sale of an undertaking will entail transfer of the undertaking as a going concern (ie. on an 'as is where is' basis), for a lump-sum consideration, by the seller company to the purchaser company.
Subsidiary / our Subsidiary	Pearl Furniture Private Limited is the subsidiary of our Company. For details of our Subsidiary, Please refer section titled " <i>Our Subsidiary</i> " beginning on page 173.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA	Initial Subscribers to MOA & AOA being Mr. Umesh Dhirajlal Nandani, Late. Dipeshkumar Nandani and Mr. Bindeshkumar Dhirajlal Nandani.
Stakeholder's Relationship Committee	Stakeholder's Relationship Committee of our Company constituted in accordance with Regulation 20 of the SEBI (LODR) Regulations and Companies Act, 2013.



Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited
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### **Issue Related Terms**

<b>Terms</b>	<b>Description</b>
Allotment/Allot/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue to the successful Bidder.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to Bidder as proof of registration of the Application.
Allotment Advice	Note or advice or intimation of allotment sent to the bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee (s)	The successful bidder to whom the Equity Shares are allotted
Bidder/ Investor	Any prospective investor who makes an application for Equity Shares in terms of this Draft Red Herring Prospectus.
Application Amount	The amount at which the Bidder makes an application for the Equity Shares of our Company in terms of this Draft Red Herring Prospectus.
Application Form	The form, whether physical or electronic, used by a Bidder to make an application, which will be considered as the application for Allotment for purposes of this Draft Red Herring Prospectus.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by all bidders 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 bidders shall apply through ASBA process only.
ASBA Account	Account maintained by the Bidder/Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the Bidder/Investor.
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Banker to the Issue Agreement	Agreement [●] entered into amongst the Company, BRLM, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in “ <i>Issue Procedure – Basis of Allotment</i> ” on page 385.
Bid	An indication to make an Issue during the Bid/Issue Period by ASBA Bidders pursuant to submission of the ASBA Form to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.  The term “Bidding” shall be construed accordingly
Bidding	The process of making a Bid.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Issue.
Bid cum Application Form	The form used by a Bidder to make a Bid including the ASBA Bid cum Application Form (as applicable), which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the



	Prospectus
Bid Lot	[●] Equity Shares
Bid/Issue Closing Date	The date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat, where the Registered Office of our Company is situated), each with wide circulation. Our Company may in consultation with the BRLM, consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations
Bid/Issue Opening Date	The date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat, where the Registered Office of our Company is situated) each with wide circulation
Bidder/Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Manager or BRLM or Manager	The Book Running Lead Manager to the Issue namely Hem Securities Limited.
Broker Centers	Broker centers notified by the Stock Exchanges, where the Bidders can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the name and contact details of the Registered Brokers are available on the website of the Stock Exchange
Business Day	Monday to Friday (except public holidays)
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Bidder indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the Price Band above which the Issue Price will not be finalized and above which no Bids will be accepted
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participants or CDPs	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 the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.
Cut-off Price	Issue Price finalised by our Company in consultation with the BRLM.  Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders such as their Address, PAN, name of the Bidder's father/husband, investor status and occupation and Bank Account details

Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Bidder and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Bidder 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>
Designated RTA Locations	Such locations of the RTAs where bidder can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of this Draft Red Herring Prospectus
Designated Intermediaries/Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	[●]
Designated Stock Exchange	National Stock Exchange of India Limited (NSE) (Emerge Platform)
DP	Depository Participant
DP ID	Depository Participant's Identity number
Draft Red Herring Prospectus/DRHP	Draft Red Herring Prospectus dated May 21, 2018 issued in accordance with Section 32 of the Companies Act, 2013.
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs. 10/- each
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to purchase the Equity Share Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
First / Sole Bidder	The Bidder whose name appears first in the Application Form or Revision Form.
FII/ Foreign Institutional Investor	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable law in India.
Foreign Venture Capital	Foreign Venture Capital Investors registered with SEBI under the SEBI





Investors	(Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI.
HSL	Hem Securities Limited.
IPO	Initial Public Offering.
Issue Agreement	The Agreement dated May 21, 2018 between our company and BRLM.
Issue/Public size/Initial Issue/Initial Offer/Initial Offering/ IPO	The Public Issue of up to 38,00,000 Equity shares of Rs. 10/- each at issue price of Rs. [●] per Equity share aggregating to Rs. [●] Lakhs
Issue Price	The final price at which Equity Shares will be allotted to Bidders. The final price at which the Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date
Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Applications, including any revisions thereof.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled " <i>Objects of the Issue</i> " at page 97.
Listing Agreement/ Equity Listing Agreement	The Listing Agreement to be signed between our Company and National Stock Exchange of India Limited (NSE).
Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with NSE Emerge Platform. In our case [●] is the sole Market Maker.
Market Making Agreement	The Market Making Agreement dated [●] between our Company and Market Maker [●].
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of Rs. 10 each at an Issue price of Rs. [●] each aggregating to Rs. [●] Lakhs to be subscribed by Market Maker in this issue.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of Rs. 10 each at a price of Rs. [●] per Equity Share (the " <i>Issue Price</i> ") aggregating to Rs. [●] Lakhs.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled " <i>Objects of the Issue</i> " beginning on page 97.
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders who have Bid for Equity Shares for an amount more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)

NSE	National Stock Exchange of India Limited
NSE Emerge	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI ICDR Regulations.
Other Investor/bidders	Investors other than Retail Individual Bidders. These include individual Bidders other than retail individual bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
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.
Price Band	Price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price) including any revisions thereof the Price Band will be decided by our Company in consultation with the BRLM and the minimum Bid Lot size for the issue will be decided by our Company in consultation with the BRLM and will be advertised, at least five Working Days prior to the Bid/Issue Opening Date, in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Gujarati newspaper [●] (Gujarati being the regional language of Gujarat, where the Registered Office of our Company is situated), each with wide circulation
Pricing Date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information including any addendum or corrigendum thereto
Public Issue Account	Account to be opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Bidders, on the Designated Date.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of Rs. 25 Crore; a pension fund with minimum corpus of Rs. 25 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies..
QIB Bid/Issue Closing Date	In the event our Company, in consultation with the BRLM, decides to close Bidding by QIBs one working day prior to the Bid/Issue Closing Date, the date one working day prior to the Bid/Issue Closing Date; otherwise it shall be the same as the Bid/Issue Closing Date.
QIB Portion	Not more than 50% of the Net Issue consisting of [●] Equity Shares which shall



	be allocated to QIBs, subject to valid Bids being received at or above the Issue Price
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be issued and the size of the Issue including any addendum or corrigendum thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Bank	[●]
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Karvy Computershare Pvt. Ltd.
Registrar Agreement	The Agreement dated May 21, 2018 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended from time to time.
Retail Individual Bidders	Individual Bidders who have bid for the Equity Shares of a value of not more than Rs. 2,00,000 in any of the bidding options in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations subject to valid Bids being received at or above the Issue Price
Registered Broker	Individuals or companies registered with SEBI as “Trading Members” (except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/membership/content/cat_of_mem.htm">http://www.nseindia.com/membership/content/cat_of_mem.htm</a>
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders as provided under the SEBI ICDR Regulations, 2009
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date.
Registrar and Share Transfers Agent or RTA	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Location in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 Issued by SEBI
Self-Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
SME Exchange/ Emerge Platform	Emerge Platform of National Stock Exchange of India Limited
SEBI(PFUTP)	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to



Regulations/PFUTP Regulations	Securities Markets) Regulations, 2003
Transaction Registration Slip/ TRS	The slip or document issued by the member(s) of the Syndicate to the Bidder as proof of registration of the Application.
Underwriter	The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI ICDR Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated [●] between the Underwriter Hem Securities Limited and our Company.
U.S. Securities Act	U.S. Securities Act of 1933, as amended from time to time
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Day	Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Bid/Issue Opening Date and listing of the Equity Shares on the Stock Exchanges, “Working Days” shall mean all trading days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

### **Technical and Industry Related Terms**

<b>Term</b>	<b>Description</b>
B2B	Business to Business
B2C	Business to Customers
CLRA	Contract Labour Regulation and Abolition Act, 1970
GPCB	Gujarat Pollution Control Board
Mould	A hollow container used to give shape to molten or hot liquid material when it cools and hardens
MRP	Maximum Retail Price
Sq. Ft.	Square Feet
Style	Nomenclature used by our Company for each distinguished designed product
R&D	Research and Development
US	United States of America

### **Abbreviations**

<b>Abbreviations</b>	<b>Full Form</b>
₹ / Rs./ Rupees/ INR	Indian Rupees
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association



Approx	Approximately
BCA	Bachelor in Computer Application
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BOQ	Bill of quantities
BRLM	Book Running Lead Manager
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CMD	Chairman and Managing Director
COCO	Company Owned Company Operated
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EMI	Equated Monthly Instalment
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
EGM /EOGM	Extra-Ordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria



	prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GST	Goods and Services Tax
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
INR / Rs./ Rupees/₹	Indian Rupees, the legal currency of the Republic of India
ISIN	International Securities Identification Number. In this case being [●]
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
L.L.B	Bachelor of Law
Ltd.	Limited
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
M. B. A	Master of Business Administration
MMM	Master in Marketing Management
Mn	Million
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NACH	National Automated Clearing House
NCLT	National Company Law Tribunal
Net worth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NAV	Net Asset Value



NPV	Net Present Value
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
OEM	Original Equipment Manufacturer
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
P.O.	Purchase Order
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
Q.C.	Quality Control
RoC	Registrar of Companies
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
SEBI	Securities and Exchange Board of India
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
UIN	Unique Identification Number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
WDV	Written Down Value
w.e.f.	With effect from



-, ()	Represent Outflow
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The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “*Main Provisions of the Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Key Regulations and Policies in India*”, “*Financial Information of the Company*”, “*Outstanding Litigation and Material Developments*” and “*Part B*” of “*Issue Procedure*”, will have the meaning ascribed to such terms in these respective sections.



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

### Certain Conventions

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

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Parin Furniture Limited”, “PFL”, and, unless the context otherwise indicates or implies, refers to Parin Furniture Limited. In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### Use of Financial Data

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the Financial data in this Draft Red Herring Prospectus is derived from our financial statements prepared and restated for the financial year ended March 2018, 2017, 2016, 2015 and 2014 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2009 included under Section titled “**Financial Information of the Company**” beginning on page 187. Our Company has one Subsidiary Company namely, Pearl Furniture Private Limited. Accordingly, financial information relating to us is presented on both Consolidated and Standalone basis. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “**Risk Factors**”, “**Our Business**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “**Financial Information of the Company**” beginning on page 187 .

For additional definitions used in this Draft Red Herring Prospectus, see the section “**Definitions and Abbreviations**” on page 2 of this Draft Red Herring Prospectus. In the section titled “**Main Provisions of Articles of Association**”, on page 401 defined terms have the meaning given to such terms in the Articles of Association of our Company.



### **Use of Industry & Market Data**

Unless stated otherwise, industry and market data and forecast used throughout this Draft Red Herring Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. 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 market and industry sources.

In accordance with the SEBI (ICDR) Regulations, 2009, the section titled "***Basis for Issue Price***" on page 103 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

### **Currency of Financial Presentation**

All references to "₹" or "Rupees" or "INR" or "Rs." are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled "Industry Overview" throughout this Draft Red Herring Prospectus all figures have been expressed in thousands, Lakhs/Lacs, Million and Crore.

Any percentage amounts, as set forth in "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Conditions and Results of Operation***" on page 20, 117 and 306, respectively unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

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





## **FORWARD LOOKING STATEMENTS**

This Draft Red Herring Prospectus includes certain “forward-looking statements”. We have included statements in this Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

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. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to:

1. Disruption in our subsidiary’s manufacturing operations.
2. Company’s ability to successfully implement its growth strategy and expansion plans, and to successfully launch new Products;
3. Our inability to effectively diversify our portfolio of products;
4. The business or financial condition of our customers or the economy generally, or any developments in the furniture industry in macro- economic factors, which may affect the rate of growth and the demand for our products;
5. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
6. Inability to successfully obtain registrations in a timely manner or at all;
7. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
8. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
9. Changes in laws and regulations relating to the industries in which we operate;
10. Effect of lack of infrastructure facilities on our business;
11. Occurrence of Environmental Problems & Uninsured Losses;
12. Intensified competition in industries/sector in which we operate;
13. Our ability to successfully implement our growth strategy and expansion plans;
14. Our ability to attract, retain and manage qualified personnel;
15. Failure to adapt to the changing technology in our furniture industry of operation may adversely affect our business and financial condition;
16. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
17. Conflicts of interest with affiliated companies, the promoter group and other related parties;
18. Any adverse outcome in the legal proceedings in which we are involved;
19. Our ability to expand our geographical area of operation;
20. Concentration of ownership among our Promoters.

For further discussion of factors that could cause our actual results to differ, see the Section titled "**Risk Factors**"; "**Our Business**" & and "**Management’s Discussion and Analysis of Financial Condition and Results of Operations**" beginning on page 20, 117 and 306 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 future gains or losses could materially differ from those that have been estimated.



Neither our Company, our Directors, our Officers, BRLM and Underwriter nor 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. In accordance with SEBI requirements, our Company, and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.



## **SECTION II: RISK FACTORS**

An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Draft Red Herring Prospectus, particularly the **“Financial Information of the Company”** and the related notes, **“Our Business”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** beginning on page 187, 117 and 306 respectively and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

### **Materiality**

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

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

### **Note:**

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in **“Risk Factors”** on page 20 and **“Management Discussion and Analysis of Financial Condition and Results of Operations”** on page 306 unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Audited Financial Statements, as restated" prepared in accordance with the Indian Accounting Standards.

**1. There are outstanding legal proceedings involving our Company, Subsidiary Company and Group Company which may adversely affect our business, financial condition and results of operations.**

There are outstanding legal proceedings involving our Company, Subsidiary Company and Group Company. These proceedings are pending at different levels of adjudication before various courts, enquiry officers and appellate forums. Such proceedings could divert management time and attention and consume financial resources in their defence. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. A summary of the outstanding proceedings against our Company and Group Company as disclosed in this Draft Prospectus, to the extent quantifiable, have been set out below:

Sr. No.	Nature of proceedings	Number of outstanding cases	Amount involved (Rs. in Lakhs)
<b>Cases filed against our Company</b>			
1.	Civil	1	15.28
2.	Criminal	1	10.00
<b>Cases filed by our Company</b>			
3.	Criminal	4	20.25
<b>Revenue proceedings involving our Company</b>			
4.	Civil	3	4.99
<b>Cases filed by our Group Company</b>			
5.	Criminal	2	3.68
<b>Revenue proceedings involving our Group Company</b>			
6.	Civil	1	0.34
<b>Cases filed against our Subsidiary Company</b>			
7.	Civil	1	15.28
<b>Revenue proceedings involving our Subsidiary Company</b>			
8.	Civil	2	0.06

Decisions in such proceedings adverse to our interests may affect our reputation and standing and may have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to section titled "Outstanding Litigation and Material Developments" beginning on page 312.

**2. Our Company operates under several statutory and regulatory permits, licenses and approvals. Our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business may have a material adverse effect on our business & operations.**

We require various statutory and regulatory licenses, permits and approvals to operate our business. We need to make compliance and applications at appropriate stages of our business to continue our operations. There can be no assurance that the relevant authorities will issue these approvals or licenses, or renewals thereof in a timely manner, or at all. Further any default by our Company in complying with the same may result in the cancellation of such licenses, approvals or registrations which may adversely affect our operations and financial strength.

Our Company had received notice from ESIC for registration on February 04, 2016. We replied on February 25, 2016 with the clarification that our establishment is situated at village – Vavdi which is 10 Kms away from Rajkot City and this area comes under non-implement area and till date we have not received any further communication from ESIC in this regard. However, if the concerned regulations become applicable on us or the concerned authorities take cognizance of non- registration, then our Company may be subjected to penalties or additional liabilities and we will be required to fulfil all the compliances as stated in ESI Act, 1948. Except as mentioned above, we have not obtained registration for any other establishments under ESIC.

Our company has changed the name from Parin Furniture Pvt Ltd to Parin Furniture Limited w.e.f April 04, 2018 and we are in process of getting our name changed with various government approvals and registrations.



We have already received certain registration with updated name as stated in Government Approvals on page 317. Further, we have not obtained registration under Shops and Establishments for our establishments except for Ahmedabad.

Further, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied by us. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses or registrations, which may adversely affect our operations. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

We believe that we have complied considerably with such laws and regulations, as are applicable to us however, statutory/regulatory authorities may allege non-compliance and we cannot assure you that we will not be subjected to any such regulatory action in the future, including penalties, and other civil or criminal proceedings.

For further details, please refer to section titled “**Government and Other Approvals**” beginning on page 317.

**3. *Our company has not complied with some statutory provisions of the Companies Act. Such non-compliance may attract penalties against our Company which could impact the financial position of us to that extent.***

Our Company has not complied with few statutory provisions under the Companies Act 2013, like our company has accepted an unsecured loan from the HUF where director is Karta or a member in the year 2014-15, 2015-16 & 2016-17. But such loan have been now repaid, and there are no such unsecured loan outstanding as on March 31, 2018 which are falling outside the exemption from deposits provided under the Companies (Acceptance of Deposit) Rules, 2014.

Further, there are few discrepancies noticed in some of our corporate records relating to forms filed with the Registrar of Companies, which inter-alia includes Form 2 in F.Y. 2008-09 for allotment of 25,000 shares each to Mr. Darshil Nandani and Mr. Deven Dipesh Nandani dated March 20, 2009. Due to oversight mistake, we had attached wrong list of allottees. However, it was rectified in ensuing year with clarifications attached to Form 20B dated January 21, 2015 file with ROC. Additionally, certain corrections were required in the audited financials of our Company with respect to compliance with some Accounting Standards such as AS-4, AS-6, AS-15, AS-18 & AS-22, which has now been carried in restated financial statements of the Company and also necessary rectifications has been made in Audited Financial Statements for the year ended March 2018.

**4. *Quality of product is very important in our industry and the success of our company is dependent on the quality of our product and any failure to maintain the quality of our products may have an adverse affect on our reputation and business.***

We believe that our success is dependent on quality of our products. We are also required to follow the proper control during our material acquisition process, packaging and dispatch. We believe that we have built strong relationships with our customers due to the quality of our products which has translated into operational growth. In the event we are unable to maintain our quality, for any reason whatsoever, our business, reputation and results of operations would be adversely affected.

**5. *Our product is subject to frequently changing customer preferences, tastes and fashion, the designs and patterns of our products are based on market trends, our inability to meet such needs or requirements may affect our business.***

The designs and patterns of furniture change frequently based on the changing customer preferences, tastes, fashion and trends. Our products thus become vulnerable to changing market demand. Inability in successfully predicting changing customer trends could lead to obsolescence in inventory of our products which may turn into dead stock. Our inability on our part to understand the prevailing trends or our inability to forecast changes as





per latest fashion or understand the needs of our customers in this industry well in time may affect our growth prospects.

**6. *Our Company may be subject to risk resulting from foreign exchange rate fluctuations, which could adversely affect our results of operations.***

Any unfavorable change in currency exchange rates can influence our Company's results of operations. In addition, depreciation of the Indian Rupee against the other foreign currencies may adversely affect our results of operations by increasing the cost of financing. Thus, any adverse fluctuations in the value of the Indian Rupee against the relevant foreign currencies could affect our result of operation and financials.

**7. *Any fluctuations in cost of furniture due to fluctuating prices of raw materials or shortage in supply of raw material for manufacturing our products by manufacturers, could adversely impact our business.***

Our business is dependent mainly on acquisition of various furnitures which in turn depends on the various raw materials and packaging materials required by manufacturers for the manufacturing of our products. Thus, we are exposed to risk of upward fluctuations in the prices of furniture, its raw materials, packing materials and their availability. Also, we have not entered into any supply agreements with our suppliers and various furniture bought by our Company from various suppliers on order to order basis. Any upward fluctuation in their prices would result in increase of cost of production which may adversely impact the business and profitability of the Company. In case we are not able to pass on any such increase to the consumers because of competition or otherwise, it may affect the profitability of our Company.

**8. *Our Company has during the preceding one year from the date of this Draft Red Herring Prospectus have allotted Equity Shares at a price which is lower than the Issue Price.***

In the last 12 months, we have made allotments of Equity Shares through bonus issue of shares to the shareholders, which is given without any consideration to the shareholders. For details relating to number of shares issued, date of allotment etc. please refer to section titled "*Capital Structure*" on page 66.

**9. *Introduction of alternative technology in manufacturing by our competitors may reduce demand for our existing products and may adversely affect our profitability and business prospects.***

Our competitors may decide to seek alternative technology coupled with the development of more alternatives, which may adversely affect our business and profitability if we are not able to respond to these changes. Our ability to anticipate changes in technology and to develop and introduce new and enhanced products successfully on a timely basis will be a significant factor in our ability to grow and to remain competitive. We cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance and delays in product development. Any failure on our part to forecast and / or meet the changing demands will have an adverse effect on our business, profitability and growth prospects.

**10. *The business segment in which we operate is highly competitive, which may adversely affect our business operation and financial condition.***

Players in furniture business generally compete with each other on attributes such as quality of product, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.



**11. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.**

Our company has obtained insurance coverage in respect of certain risks which consists of Fire & Special Peril Policy, Group Personal Accident Insurance Policy, Public Liability (Industrial Risks) Insurance Policy, Money in Transit Insurance Policy and vehicle insurance. However, we have not taken any insurance policy for burglary. If any uncertainty arises including losses arising on account of third party claims or if claim made by us in respect of an insurance, is not accepted or any loss occurred by us is in excess of the insurance coverage, the same may adversely affect our operation, results and financials. If our arrangements for insurance or indemnification are not adequate to cover claims, we may be required to make substantial payments and our results of operations and financial condition may be affected. For further information, see the section titled **“Our Business”** on page 117.

**12. We have not entered into any long-term contracts with any of our customers and typically operate on the basis of purchase orders, which could adversely impact our revenues and profitability.**

For the financial year ended March 31, 2018 our top ten customers constitute 50.80% of revenue from operations of our Company. We do not have any long-term contracts with our customers and any change in the buying pattern of the customers could adversely affect the business of our Company. Although we believe that we have satisfactory business relations with our customers and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability.

**13. Our Company has not entered into any supply agreement for furniture products acquisition and hence is exposed to risks relating to fluctuation in global commodity prices and shortage of such products.**

We do not have any long-term supply contracts with respect to furniture products. We are significantly dependent on single manufacturer i.e. Pearl Furniture Private Limited, our subsidiary for such products but costs are dependent on Indian & global commodity prices, which are subject to fluctuation. In the event the prices of such products were to rise substantially, we may find it difficult to find alternative suppliers for our products, on terms acceptable to us, and our business, results of operations and financial condition could be adversely affected.

Our suppliers may not be able to supply us furniture products without any interruption, or may not comply with their obligations to us under our purchase agreements, if any. We may not have adequate remedies for any breach and their failure to supply us could result in a shortage of such products. If one of our suppliers fails or refuses to supply us for any reason, it would take a significant amount of time and expense to identify a new supplier or manufacturer. We may not be able to obtain furniture products from new suppliers on acceptable terms and at reasonable prices, or at all.

**14. We do not own the premises at which our registered office, show rooms and warehouses are situated, from which we carry out our business activities. Any dispute in relation to use of such premises would have a material adverse effect on our business and results of operations.**

We do not own the premises at which our registered office, show rooms and warehouses are situated, from which we carry out our business activities. However, the registered office premises is taken on lease from our Promoter, Mr. Deven Dipesh Nandani vide lease agreement dated March 09, 2018 for the period of 15 years starting from March 31, 2018. As per the lease deeds, any breach of the terms / non-renewal of the lease deeds may require us to vacate the said premises which may cause serious disruption in our operations, corporate affairs and business and impede our effective operations and thus adversely affect our business and profitability. For further details regarding the immovable properties, please refer to chapter titled **“Our Business”** on page 117.



**15. Some of the vehicles appearing in our books of accounts are not registered in the name of our Company.**

Some of the vehicles recorded in our books of accounts and used by us for business purpose are legally registered in the name of our Promoters Mr. Umesh Dhirajlal Nandani, Mr. Parin Umeshbhai Nandani, Mr. Deven Dipesh Nandani and in the name of group company P. P. Furniture Pvt. Ltd., while our Company is the beneficial owner of such vehicles. Further, our Company has an outstanding loan of Rs. 25.65 Lakhs as on March 31, 2018 on such vehicles. In case of any dispute arises in future regarding ownership or usage of such vehicles, we may not be able to effectively establish ownership of such vehicles, which may affect our financial condition and results of operations.

**16. We depend on third parties for a major portion of our transportation needs. Any disruptions may affect our operations, business and financial condition.**

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for material acquisition from our suppliers and for transportation of our products to our customers. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any third party transport service providers and engage them on a needs basis. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented. The cost of our products carried by such third party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods.

**17. Our Contingent Liability and Commitments could affect our financial position.**

As on March 31, 2018 we had Contingent Liability of Rs. 537.94 Lakhs which has not been provided in our financial statements and which could affect our financial position. Details of such contingent Liabilities and commitments are as follows:-

Particulars	Amt. (Rs. in Lakhs)
VAT Matters (Under Dispute)	4.58
Guarantees given by bank on behalf of the Company	533.36
<b>Total</b>	<b>537.94</b>

For further details on the same please refer "Annexure AA" under section "Financial Information of the Company" and "Outstanding Litigations and Material Developments" beginning on page 238 and 312.

**18. Reliance has been placed on declarations and signed CV furnished by our Directors and KMPs of our Company for details of their profiles included in this Draft Red Herring Prospectus.**

For profiles of our Directors and KMPs, reliance has been placed on signed CV and declarations furnished and we have not been able to independently verify these details. Therefore, we cannot assure you that all information relating to the work experience included in the sections "Our Promoters, Promoter Group" and "Our Management" on pages 167 and 152 respectively, as may be applicable, are complete, true and accurate.

**19. Our net cash flows from operating, investing and financing activities have been negative in some years in the past. Any negative cash flow in the future may affect our liquidity and financial condition.**

Our cash flow from our operating, investing and financing activities have been negative in the past. Following are the details of our cash flow position during the last five financial years based on standalone restated financial statements are:-

Particulars	For the financial year ended (in Rs. Lakhs)				
	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Net cash flow from/ (used in) Operating	625.65	34.76	(854.91)	75.10	(225.36)



activities					
Net cash flow from/ (used in) Investing activities	(31.42)	(78.45)	(130.52)	(29.07)	(9.06)
Net cash flow from/ (used in) Financing activities	(528.06)	81.70	1089.39	(41.40)	219.44

Consolidated cash flows for the financial year ended March 31, 2018:

Particulars	(in Rs. Lakhs)	
	For the year ended 31.03.2018	
Net cash flow from/ (used in) Operating activities	864.94	
Net cash flow from/ (used in) Investing activities	(62.40)	
Net cash flow from/ (used in) Financing activities	(736.12)	

For details, please see the chapter titled **“Financial Information of our Company”** on page 187 . Any negative cash flows in the future could adversely affect our results of operations and consequently our revenues, profitability and growth plans.

**20. Our Promoters, Directors and Key Management Personnel have interest in our Company, other than reimbursement of expenses incurred or remuneration.**

Our Promoters, Directors and Key Management Personnel can be deemed to be interested to the extent of the Equity Shares held by them, or their relatives, dividend entitlement, or loans advanced, lease rent for properties given on rent by them to our Company and personal guarantee, provided by them for our Company, and benefits deriving from the directorship in our Company. Our Promoters are interested in the transactions entered into our Company and our Promoter Group. For further information, please refer to the chapters/section titled **“Our Business”**, **“Our Promoters and Promoter Group”** and **“Related Party Transactions”**, beginning on pages 117, 167 and 185 respectively.

**21. Our Group Company and Subsidiary are engaged in the line of business similar to our Company. There are no non - compete agreements between our Company and such Companies. We cannot assure that our Promoters will not favour the interests of such entity over our interest or that the said entity will not expand, which may increase our competition and may adversely affect business operations and financial condition of our Company.**

Our Group Company and Subsidiary as mentioned on page 181 and 173 respectively are engaged in the business of furniture, which to an extent, can be considered as common pursuits & conflict of interest amongst our Company and such companies. We have not entered into any non-compete agreement with our Group Company and subsidiary company. We cannot assure that our Promoters who have common interest in said companies will not favour the interest of the said company. As a result, conflicts of interests may arise in allocating business opportunities between our Company and our Group Company and subsidiary company in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other company in which our Promoters have interests. There can be no assurance that our Promoters or our Promoter Group Company or members of the Promoter Group 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 present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, please refer to Chapter titled **“Our Group Company”** and **“Our Subsidiary”** beginning on page 181 and 173 respectively .

***22. We have substantial working capital requirements and may require additional financing to meet working capital requirements in the future. A failure in obtaining such additional financing at all or on terms favorable to us could have an adverse effect on our results of operations and financial condition.***

Our business requires significant amount of working capital and major portion of our working capital is utilized towards inventories and trade receivables. As on March 31, 2018, we have been sanctioned working capital of Rs. 1965 Lakhs (including Non-Fund Based facilities in form of Bank Guarantee facilities of Rs. 540 Lakhs) from HDFC Bank Limited. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any such defaults from our debtors, may affect our business operations and financials.

For further details regarding working capital requirement, please refer to the section ***“Objects of the Issue”*** on page 97.

***23. Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may affect our competitive edge and better bargaining power if entered with non-related parties resulting into relatively more favourable terms and conditions and better margins.***

Our Company has entered into various transactions with our Directors, Promoters, Promoter Group and Group Company significantly influenced by the Directors of our Company. These transactions, inter-alia includes issue of shares, remuneration, sales, purchase, rent payments, loans and advances, etc. Our Company has entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms than from transaction with related parties. Additionally, while it is our belief that all our related party transactions have been conducted on an arm’s length basis, we cannot provide assurance that we could have achieved more favourable terms had such transactions been entered with third parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse affect on results of our operations, although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the Listing Regulations. For details of transactions, please refer to “Annexure AB” on “Related Party Transactions” of the Chapter titled ***“Financial Information of our Company”*** and Chapter titled ***“Capital Structure”*** beginning on page 187 and 66 respectively.

***24. Failure to effectively manage staff / labours or failure to ensure availability of sufficient staff / labours could affect the business operations of the Company.***

Our business activities are dependent on availability of skilled and unskilled staff / labours. Non-availability of staff / labours at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations. Though we have not faced any staff /labour problem in the past we cannot assure that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may lead to strikes, lock- outs or increased wage demands. Such issues could have adverse effect on our business, and results of operations.

***25. We have incurred significant indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations***

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on March 31, 2018, our total outstanding indebtedness (including bank guarantee) was Rs. 2893.47 lakhs.





Our significant indebtedness results in substantial amount of debt service obligations which could lead to:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating;
- limiting our ability to borrow more money both now and in the future; and
- increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see *“Statement of Financial Indebtedness”* in the Chapter titled *“Financial Information of our Company”* beginning on page 187.

**26. *Loans availed by our Company has been secured on personal guarantees of our Directors. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees provided by our Directors.***

Our Directors, Mr. Umesh Dhirajlal Nandani, Mr. Parin Umeshbhai Nandani and Mr. Deven Dipesh Nandani have provided personal guarantees to secure a significant portion of our existing borrowings taken from HDFC Bank Limited in case of our Company and to secure a significant portion of our existing borrowings taken from State Bank of India in case of our Subsidiary Company, and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by our Directors may be invoked which could negatively impact the reputation and net worth of our Directors. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate guarantees/alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer *“Statement of Financial Indebtedness”* in the Chapter titled *“Financial Information of our Company”* beginning on page 187.

**27. *We are heavily dependent on our Promoters and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.***

Our success heavily depends upon the continued services of our Key Managerial Personnel, along with support of our Promoters. We also depend significantly on our Key Managerial Personnel for executing our day to day activities. The loss of any of our Promoters and Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section *“Our Management”* beginning on page 152.

**28. *We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.***

The proposed fund requirement for our expansion plan, as detailed in the section titled *“Objects of the Issue”* is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled *“Objects of the Issue”*





beginning on page 97.

***29. We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them.***

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, changes in fixed assets, creation of any other charge, undertake any guarantee obligation etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

For further details on the Term Loans, Cash Credit Limits and other banking facilities, please see “*Statement of Financial Indebtedness*” in the Chapter titled “*Financial Information of our Company*” beginning on page 187.

***30. We may not be able to sustain effective implementation of our business and growth strategy.***

The success of our business will largely depend on our ability to effectively implement our business and growth strategy. In the past we have generally been successful in execution of our business but there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations.

***31. Delays or defaults in client payments could affect our operations.***

We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure products and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. We typically extend credit terms to our large institutional and other customers. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations.

***32. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash



requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section “*Dividend Policy*” on page 186.

***34. There is no monitoring agency appointed by our Company to monitor the utilization of the Issue proceeds.***

As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only for Issue size above Rs.10,000 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

***35. Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.***

Our promoters along with the promoter group will continue to hold collectively almost [●]% of the equity share capital of the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholders vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoters will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

***36. We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.***

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company’s Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could



also affect the trading price of our Company's Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

**37. *The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The issue price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled "***Basis for Issue Price***" beginning on page 103. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

**38. *Non-Institutional Investors and QIBs are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.***

Pursuant to the SEBI ICDR Regulations, Non-Institutional Investors and QIBs are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application. While our Company is required to complete Allotment pursuant to the issue within six Working Days from the issue Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the applicant's ability to sell the Equity Shares Allotted pursuant to the issue or cause the trading price of the Equity Shares to decline on listing.

**39. *Certain data mentioned in this Draft Red Herring Prospectus has not been independently verified.***

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

**40. *Our lenders have charge over our movable and immovable properties of directors in respect of finance availed by us.***

We have secured our lenders by creating a charge over our movable and immovable properties of Directors in respect of loans / facilities availed by us from Banks and financial institutions. Based on the Restated Standalone Financial Statements, the total amount outstanding and payable by us in respect of such loans were Rs. 1841.77 Lakhs as on March 31, 2018 and in the event we may default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information on the Financial Indebtedness please refer to "***Statement of Financial Indebtedness***" in the Chapter titled "***Financial Information of our Company***" beginning on page 187.



**41. Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Under our financing arrangements, we are required to obtain the priorwritten consent from them before issuing any personal guarantee by the Guarantors for any other loans, except for Car Loans, Personal Loans, Home Loans, Education Loans for self and family members. Further, we are also required to maintain unsecured loans and certain financial ratios during the currency of such finance.**

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. In such situation, Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. For further information, see the chapter titled "Statement of Financial Indebtedness" beginning on page 302. Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance. For further details, please see the section titled "Statement of Financial Indebtedness" beginning on page 302.

**42. We are dependent on various kinds of Supplier for the supply of products and services.**

For the financial year ended March 31, 2018 our top ten suppliers constitute 93.09% of total purchase of our Company. Our business is significantly affected by the availability, cost and quality of materials, products and bought out items, which we need to procure and provide for our products & services. The prices and supply of products and bought out items depend on factors not under our control, including domestic and international general economic conditions, competition, availability of quality suppliers, production levels, transportation costs and import duties. Although we may enter into back-to-back supplier contracts or provide for price contingencies in our contracts to limit our exposure, if, for any reason, our primary suppliers of products and bought out items should curtail or discontinue their delivery of such products to us in the quantities we need, provide us with products and bought out items that do not meet our specifications, or at prices that are not competitive or not expected by us, our ability to meet our products requirements for our projects could be impaired, our construction schedules could be disrupted and our results of operations and business could suffer. Further, we depend on few suppliers who cater to a significant part of our business needs. If any of our key suppliers for a particular project is unable to continue providing the products and bought out items we need, at prices and on terms and conditions we consider acceptable, we will be required to obtain these items from other suppliers and our results of operations and business could suffer as a result.

**43. Our Company has taken loans from banks and financial institution wherein our Promoters, relatives of Promoters and our Subsidiary Company are co-applicant and such loans are secured against the immovable properties held in the name of Directors and their Relatives. Further, our Promoters may have given personal guarantees in relation to loan facilities provided to our Company.**

Our Company has taken secured loan amount outstanding to Rs. 961.01 Lakhs as on March 31, 2018 from banks wherein our Promoters, relatives of Promoters and our Subsidiary Company are co-applicant. Our Promoters may have given personal guarantees in relation to said facilities provided to our Company by banks. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoters ability to manage the affairs of our Company and consequently may impact our business, prospects, financial condition and results of operations.

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

The proposed expansion, as detailed in the section titled "Objects of the Issue" is to be largely funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation



schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given timeframe, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

***45. Our Order Book may not necessarily indicate future income.***

Our Order Book may not necessarily indicate future income, including as a result of cancellations, unanticipated variations or scope or schedule adjustments, which could adversely affect our results of operations. We cannot guarantee that the income anticipated in our Order Book will be realized, or, if realized, will be realized on time or result in profits. In addition, project cancellations or scope adjustments may occur from time to time, which could reduce the amount of our Order Book and the income and profits that we ultimately earn from the contracts.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian Company are generally taxable in India. Any gain realized on the sale of listed Equity Shares on a stock exchange held for more than 12 months shall be subject to capital gains tax in India at 10% of such capital gain exceeding Rs. 1 lakh if Securities Transaction Tax (STT) has been paid on both acquisition and transfer of such shares. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. However, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. For more details, please refer to —Statement of Tax Benefits beginning on page 107.

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

Prior to this Issue, there has been no public market for our Equity Shares. [●] is acting as Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. 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.

There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers, please refer to the section titled —General Information – Details of the Market Making Arrangement for this Issue beginning on page 56.





***48. We may be unable to enforce our rights under some of our agreements with counterparties on account of insufficient stamping and non-registration or other reasons.***

We enter into agreements with third parties, in relation to leave and license / leasing of our offices, showrooms and warehouses from where we operate our business. The terms, tenure and the nature of the agreements may vary depending on, amongst other things, the subject matter of the agreement and the third party involved. Some of the agreements executed by us may be not registered, sufficiently stamped or may not otherwise be enforceable. Inadequately stamped documents may be impounded by the appropriate authority. Such inadequately stamped or not registered documents may not be admissible in evidence in a court of law until the applicable stamp duty, with penalty, has been paid and registered, which could, therefore, impact our ability to enforce our rights under the agreements in a timely manner or at all. We cannot assure you that we would be able to enforce our rights under such agreements or in respect of such immovable properties, and any inability to do so, could impair our operations and affect our financial condition, cash flows and results of operation.

**EXTERNAL RISK FACTORS**

***49. Our business is dependent on the Indian economy.***

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

***50. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.***

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.



**51. *Changing laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter “**Government and Other Approvals**” beginning on page 317 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. For instance, the Government has proposed a comprehensive national goods and services tax (“**GST**”) regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

**52. *Instability in financial markets could materially and adversely affect our results of operations and financial conditions.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’ reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in benchmark index of stock exchanges i.e. NSE-NIFTY and BSE-SENSEX. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

**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. *The Price Band is determined based on various factors and assumptions and there is no assurance that the Issue Price of the Equity Shares will reflect the market price of the Equity Shares after the Issue.***

The Price Band is determined based on various factors and assumptions and will be determined by us in consultation with the BRLM. The Issue Price of the Equity Shares will also be determined by us in consultation with the BRLM through the Book Building Process. For further details, see “*Basis for Issue Price*” beginning on page 103. The Price Band and Issue Price may not be reflective of the market price for the Equity Shares



after the Issue. The factors that could affect the market price of Equity Shares include, among others things, market trends, financial performance and results of the Company after the listing, and factors beyond our control. There is no assurance that the Equity Shares will trade at a price that we may expect, that there will be an active market for the Equity Shares or that sustained trading will take place after the listing of the Equity Shares.

***55. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in effect in India, transfer 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 rupees proceeds from the 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 authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

***56. If certain labour laws become applicable to us, our profitability may be adversely affected.***

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

***57. Our performance is linked to the stability of policies and the political situation in India.***

The Government of India has traditionally exercised, and continues to exercise, a significant 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. Since 1991, successive Indian governments have pursued policies of economic liberalization and financial sector reforms. The current Government has announced its general intention to continue India's current economic and financial sector liberalization and deregulation policies. However there can be no assurance that such policies will be continued and a significant change in the government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

**Prominent Notes:**

1. Public Issue of up to 38,00,000 Equity Shares of face value of Rs. 10/- each of Parin Furniture Limited (“PFL” or “Our Company” or “The Issuer”) for Cash at a Price of Rs. [●] per Equity Share (Including a Share Premium of Rs. [●] per Equity Share) (“Issue Price”) aggregating to Rs. [●] Lakhs, of which [●] Equity Shares of face value of Rs. 10/- each at a price of Rs.[●] each aggregating to Rs. [●] Lakhs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”) and Net Issue to Public of [●] Equity Shares of face value of Rs. 10/- each at a price of Rs. [●] each aggregating to Rs. [●] Lakhs (hereinafter referred to as the “Net Issue”) The Issue and the Net Issue will constitute [●]% and [●]% respectively of the Post Issue paid up Equity Share Capital of our Company.

*Our Company in consultation with BRLM may consider a Pre-IPO Placement of up to 6,00,000 Equity Shares for cash aggregating Rs. [●] Lakhs, at its discretion in favour of such investors permissible under applicable laws, to be completed prior to filing of the Red Herring Prospectus with the RoC and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Issue size, subject to compliance with Rule 19(2)(b) of SCRR.*

2. This Issue is being made for at least 25% of the post- issue paid-up Equity Share capital of our Company, pursuant to Rule 19(2) (b) (i) of the Securities Contracts (Regulation) Rules, 1957 as amended. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.
3. The Net worth of our Company based on Restated Standalone Financial Statements as on March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 was Rs. 1547.11 lakhs, Rs. 564.67 lakhs, Rs. 428.80 lakhs and Rs. 327.24 lakhs respectively. For more information, see the section titled “*Financial Information of the Company*” beginning on page 187.
4. The NAV / Book Value per Equity Share of our Company (closing number of shares adjusted for bonus issue), as per Restated Standalone Financial Statements as on March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 was Rs.19.06, Rs. 14.26, Rs. 10.83 and Rs. 8.26 per equity share respectively. For more information, see the section titled “*Financial Information of the Company*” beginning on page 187.
5. The average cost of acquisition of Equity Shares by our Promoters is set out below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
1.	Mr. Umesh Dhirajlal Nandani	9,13,120	6.56
2.	Mr. Parin Umeshbhai Nandani	13,42,280	13.48
3.	Mr. Deven Dipesh Nandani	26,87,200	7.34

*For further details, please refer to chapter titled “**Capital Structure**” beginning on page 66.*

6. The details of transactions of our Company with related parties, nature of transactions and the cumulative value of transactions please refer to section titled “*Financial Information of our Company-Annexure AB - Statement of Related Parties Transactions*, beginning on page 187.



7. No Group companies have any business or other interest in our Company, except as stated in section titled ***“Financial Information of the Company - Annexure AB- Statement of Related Parties Transactions, as Restated”, “Capital Structure”, “Our Group Company”*** beginning on pages 187, 66 and 181 respectively and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
8. Our Company was originally incorporated as “Parin Furniture Private Limited” on September 12, 2006 vide Registration no. 049074 (CIN: U36101GJ2006PTC049074) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat Dadra & Nagar haveli. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on March 17, 2018, our company was converted into a Public Limited Company and consequently the name of our Company was changed from “Parin Furniture Private Limited” to “Parin Furniture Limited” vide a fresh Certificate of Incorporation dated April 04, 2018 issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of our Company post conversion is U36101GJ2006PLC049074.

For Further details, please refer to Section titled ***“History and Certain Corporate Matters”*** beginning on page 147.

9. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
10. Our Company, Promoters, Directors, Promoter Group have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as willful defaulters by RBI / Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.
11. Investors are advised to see the paragraph titled ***“Basis for Issue Price”*** beginning on page 103.
12. The BRLM and our Company shall update this Draft Red Herring Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Draft Red Herring Prospectus and commencement of trading.
13. Investors are free to contact the BRLM i.e. Hem Securities Limited for any clarification, complaint or information pertaining to the Issue. The BRLM and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
14. In the event of over-subscription, allotment shall be made as set out in paragraph titled ***“Basis of Allotment”*** beginning on page 385 and shall be made in consultation with the Designated Stock Exchange i.e. NSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
15. The Directors / Promoters of our Company have no interest in our Company except to the extent as disclosed under ***“Annexure AB – Related Party Transactions”*** beginning on page 238, remuneration, interest on loan, rent payments and reimbursement of expenses (if applicable) and to the extent of any Equity Shares of our Company held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapter titled ***“Our Management”*** beginning on page 152 and chapter titled ***“Our Promoters & Promoter Group”*** beginning on page 167 and chapter titled ***“Financial Information of the Company”*** beginning on page 187.



16. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details, please see ***“Financial Information of the Company”*** beginning on page 187.
17. Trading in the Equity Shares for all investors shall be in dematerialized form only.
18. Except as disclosed in Objects of Issue beginning on page 97. No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors, Key Managerial Personnel or Group Company.

For information on the changes of the objects clause of the Memorandum of Association of our Company, please refer to the chapter titled ***“History and Certain Corporate Matters”*** beginning on page 147.



## SECTION III – INTRODUCTION

### SUMMARY OF INDUSTRY

#### **Indian Economy Growth**

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.

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.

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.

#### **Indian Furniture Industry**

The Country's furniture market is projected to cross USD32 billion by 2019. The country's furniture market is expected to grow at a rapid pace due to rising disposable income, expanding middle class and growing number of urban households. In addition, the anticipated rise in tourism and hospitality sectors is also expected to spur the furniture demand in the country through 2019. Western and Southern region would continue to be the leading revenue generators due to expanding distribution network of furniture manufacturers in these regions. Uttar Pradesh, Kerala, Punjab, West Bengal and Andhra Pradesh are the major suppliers of wood, which is the most widely used raw material in the country's furniture market.

Wooden furniture is expected to continue its dominance in the Indian furniture market. Home furniture market is expected to witness fastest growth over the next five years, followed by office and institutional segments. Major organized players such as Godrej Interio, Durian, Wipro, Evok and Nilkamal are expected to outperform during the next five years due to their diverse product range, expanding distribution network and exclusive outlets. The market is also witnessing a growing trend, wherein, an increasing number of domestic manufacturers are entering into tie ups with foreign manufacturers in order to improve product design and quality

With growing employment opportunities, purchasing power of the Indian consumers is increasing, which is consequently expected to continue and boost the demand for designer as well as standardized furniture in the country over the next five years.

Godrej Interio, Nilkamal, Featherlite, and Durian are currently the leading companies in the Indian furniture market. However, several new entrants are expected to foray into this market due to low entry barriers.





Moreover, the popularity of traditional furniture has strengthened the demand for wood in the manufacturing of furniture in India. Over the past few years, the utilization of wooden goods in home has increased as people have started using wood for furnishing cupboards, decorating and for other purposes. Apart from this, the demand for engineered wood furniture is rising in metro cities such as Delhi, Mumbai, Bangalore and other major cities. The reason behind this is the rising popularity of ready to assemble home furniture in these cities. The availability of engineered wood furniture through various distribution channels provides ease to the customer to buy furniture products. Moreover, the demand for modular and elegant furniture is growing in urban cities of India. The development in housing sector and rapid growth of metro cities is changing the living standards and lifestyle of the population. The rising trend of home décor and home furnishing with modular and stylish furniture is the major reason behind the growth of furniture industry in India.

Source: <https://www.ibef.org/economy/indian-economy-overview>

<https://www.researchnester.com/reports/india-furniture-market-analysis-opportunity-outlook-2023/331>

<https://www.techsciresearch.com/news/218-india-furniture-market-to-surpass-usd32-billion-by-2019.html>



## SUMMARY OF OUR BUSINESS

### OVERVIEW

Our Company is a provider of wide and exclusive range of furniture and lifestyle products for several consumers. Our Company is managed by experienced and dedicated promoters to address the changing needs of customers in furniture industry. We are consistent in supplying of quality products round the year as customized products are made available to them as per the market demand.

Our Subsidiary Company namely Pearl Furniture Private Limited has well established manufacturing unit located at Survey No. 26, Shapar Main Road, Village, Shapar, Taluka – Kotada Sangani, Dist – Rajkot-360024, having high tech equipments and design facility to manufacture various combination and size of products as per specification and needs of the customers. It is equipped with all facilities to execute all types of manufacturing activities such as panel cutting, edge bidding, post forming, painting line, fabrication, moulding, cutting and polishing & packaging, etc. The company is using latest machineries & technology and keeps on up-grading its manufacturing set-up, design capabilities and workmanship to deliver superior quality products with on-time deliveries and with emphasis on quality.

Our core purpose is “To serve the world with better lifestyle”. Our business network is spread in 18 States. We have COCO Flagship Retail Stores and around 900 dealers associated with us. We have huge stock keeping facilities having storage area with strong supply chain management. In addition to this, we have created spacious, specially designed showrooms for display of our various products like home furniture, office furniture, hospital furniture, institutional furniture etc.

We consistently introduce new design in our products. We have integrated in-house capabilities to market, distribute and retail our conceptualized furniture. We also have team of experienced, highly professional and skilled manpower. Our Subsidiary has hired an international designer from Turkey who develops new product design. To maintain space and remain competitive in today’s changing market place, we have various business verticals like B2B, Projects – Government & Private, Retail and E-Commerce. Through our subsidiary, we have a complete control over the entire business cycle from manufacturing to consumption, which gives an edge in furniture industry. We also have accounting system for smooth business operations. We follow the regime of honest price policy for our customers.

We understand the customer needs, market trends mapping and provide value for money products. Our diversified product portfolio enables us to cater a wide range of preferences & consumer segment.

Our Company has obtained certifications like ISO- 9001:2015, ISO-14001:2015, ISO-13485:2012, OHSAS 18001:2007 & Assured Green Guard Business. Apart from this, we also have registered membership of BIFMA Certification.

### OUR PRODUCT RANGE

The furniture manufactured by our subsidiary / purchased by us are marketed under brand name ‘Parin’. Our product portfolio offers diversified product range which includes variety of furniture like home furniture, office furniture, hospital furniture, institutional furniture and education furniture. Our major range of industry presence and major products within such presence are as under:

#### 1. Home Furniture & Decor

The Company provides wide range of Home Furniture such as design bedroom sets, dining sets in metal and wooden, sofa sets, side tables, decor & arti-crafts like vases, wall art & wide range of soft furnishings. The clients can avail stylish and trendy Customized Modular Furniture like dining chair, coffee table etc that are designed and fabricated by skilled and experienced designers. The furniture is made of quality materials which

include Ply wood, Teak wood, Formica, Fevicol, Particle board and Prelam board, which high grade material from reliable vendors are used in making these products.



**Bedroom Sets**



**Sofa Sets**



**Dining Sets**



**Decor & Artifacts**

## 2. Office Furniture

Under this category, we provide office seating solutions, desks, executive work stations and storage units which are designed keeping in mind requirements of modern work place. The Company offers complete solutions for office furniture designed to meet the growing demands of modern day business. It offers a wide range of high quality modern day modular office furniture which includes modular office partition systems, office chairs, cabinets and Wardrobe, storage racks, storage systems, revolving chairs, office workstations etc. It develops different types of furniture and caters to different industries encompassing office furniture, institutional furniture, service sector furniture.



**Office Desking**



**Work Stations**



**Storages**



**Office Chairs**

### 3. Hospital Furniture

Under this category, we provide hospital beds, side tables, cabinet, ward furniture etc. which are designed keeping safety, multitude of applications and functions in mind. The range of Hospital Furniture is in line with industrial standards and is available in various dimensions and sizes to suit the variegated taste and preferences of our clients.



**ICU Beds**



**Bed Side-Tables**



**Ward Furniture**



**Wheel Chair**

**4. Institutional Furniture**

Under this category, we provide chairs, tables, storage, lockers etc. Our storage and lockers provide singular flexibility, making it a useful storage addition to any working environment. In order to offer new and varied products to our customers, we focus on creating innovative designs combined with an emphasis on quality. The products procured are made of high grade materials and quality tested.



**Chairs**



**Tables**



**Storage**



**Lockers**





## 5. Education Furniture

Under this category, we are offering a quality assured assortment of Educational furniture like chair with armrest, glass door cupboards, stool for science lab, study table with drawers, dual desks, writing table etc. to schools and colleges which are designed keeping in view of durability and comfort. These furniture's are designed using state-of-the-art technology and latest machinery. The company offers a wide range of school furniture that is available in contrasting colors and designs. We also provide library furniture such as library chairs, library tables and library shelving.







## SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from:

- (a) The standalone Restated Financial Statements for the financial year ended March 31, 2018, 2017, 2016, 2015 and 2014.
- (b) The consolidated Restated Financial Statements for the financial year ended March 31, 2018.

The Restated Financial Statements referred to above are presented under "*Financial Statements*" beginning on page 187. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 187 and 306, respectively.



**ANNEXURE-I**  
**STANDALONE STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)**

(Amt. Rs. In Lacs)

	Particulars	Annx.	As At				
			31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
			Rs.	Rs.	Rs.	Rs.	Rs.
<b>(1)</b>	<b>Equity &amp; Liabilities</b>						
	Shareholders' Funds						
	(a) Share Capital	<b>A</b>	811.80	30.00	30.00	30.00	30.00
	(b) Reserves & Surplus	<b>B</b>	754.18	534.67	399.12	297.89	271.53
			<b>1,565.98</b>	<b>564.67</b>	<b>429.12</b>	<b>327.89</b>	<b>301.53</b>
<b>(2)</b>	<b>Non Current Liabilities</b>						
	(a) Long-term borrowings	<b>C</b>	1,444.82	1,686.23	1,231.54	468.82	486.77
	(b) Other Non-Current Liabilities	<b>D</b>	3.00	32.96	35.73	28.58	26.77
	(c) Long-term provisions	<b>E</b>	24.76	31.33	25.45	17.97	14.91
			<b>1,472.58</b>	<b>1,750.53</b>	<b>1,292.72</b>	<b>515.37</b>	<b>528.45</b>
<b>(3)</b>	<b>Current liabilities</b>						
	(a) Short-term borrowings	<b>F</b>	880.76	1,239.22	1,310.25	723.92	599.11
	(b) Trade payables	<b>G</b>					
	- Dues to Micro & Small Enterprises		-	-	-	-	-
	- Dues to Other Than Micro & Small Enterprises		493.82	570.16	612.39	252.80	137.26
	(c) Other current liabilities	<b>H</b>	93.57	96.44	189.02	85.20	67.95
	(d) Short-term provisions	<b>I</b>	156.89	123.84	129.88	43.50	39.30
			<b>1,625.04</b>	<b>2,029.66</b>	<b>2,241.54</b>	<b>1,105.41</b>	<b>843.62</b>
	<b>Total</b>		<b>4,663.61</b>	<b>4,344.86</b>	<b>3,963.39</b>	<b>1,948.67</b>	<b>1,673.60</b>
	<b>Assets</b>						
<b>(4)</b>	<b>Non-current assets</b>						
	(a) Fixed Assets	<b>J</b>					
	- Property, Plant & Equipment		165.38	197.07	160.98	102.15	122.90
	- Intangible Assets		5.00	-	-	-	-
	(b) Non-current investments	<b>K</b>	405.58	-	-	-	-
	(c) Deferred Tax Assets	<b>L</b>	41.17	35.32	30.09	17.41	11.68
	(d) Long-term loans and advances	<b>M</b>	40.17	49.35	68.47	47.38	56.62
	(e) Other non-current assets	<b>N</b>	32.16	6.94	20.41	24.50	17.38
			<b>689.45</b>	<b>288.67</b>	<b>279.95</b>	<b>191.44</b>	<b>208.59</b>
<b>(5)</b>	<b>Current Assets</b>						
	(a) Inventories	<b>O</b>	1,863.11	2,000.28	1,749.46	1,238.31	921.96
	(b) Trade Receivables	<b>P</b>	1,722.78	1,783.43	1,740.45	447.62	447.84
	(c) Cash & Bank Balances	<b>Q</b>	232.75	166.57	128.57	24.62	19.99
	(d) Short Term Loans & Advances	<b>R</b>	155.51	105.91	64.95	46.68	50.93
	(e) Other Current Assets	<b>S</b>	-	-	-	-	24.29
			<b>3,974.15</b>	<b>4,056.18</b>	<b>3,683.44</b>	<b>1,757.23</b>	<b>1,465.01</b>
	<b>Total</b>		<b>4,663.61</b>	<b>4,344.86</b>	<b>3,963.39</b>	<b>1,948.67</b>	<b>1,673.60</b>



**Note:** The above standalone statement should be read with the restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures II, III and IV respectively.

**ANNEXURE-II**

**STANDALONE STATEMENT OF PROFIT AND LOSS (AS RESTATED)**

(Amt. Rs. In Lacs)

Particulars	Annx	For the Year ended				
		31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
<b>Continuing Operations</b>						
<b>Revenue from operations:</b>	<b>T</b>					
- Revenue From Sale of Products		6,415.67	5,855.06	6,169.71	2,874.76	2,981.08
<b>Net Revenue from operations</b>		<b>6,415.67</b>	<b>5,855.06</b>	<b>6,169.71</b>	<b>2,874.76</b>	<b>2,981.08</b>
Other income	<b>T</b>	43.67	138.98	8.75	1.02	21.68
<b>Total Revenue (A)</b>		<b>6,459.34</b>	<b>5,994.04</b>	<b>6,178.46</b>	<b>2,875.78</b>	<b>3,002.76</b>
<b>Expenses:</b>						
Cost of Materials & Stores Consumed		-	-	-	-	-
Purchase of Stock-in-trade	<b>U</b>	4,581.95	4,153.95	4,644.01	2,135.82	2,193.12
Changes in Inventories of Stock-in-Trade	<b>V</b>	137.16	(250.81)	(511.15)	(316.35)	(358.23)
Employee Benefits Expenses	<b>W</b>	361.58	448.72	455.00	298.62	324.16
Other Expenses	<b>X</b>	658.98	1,057.07	1,098.44	498.03	604.13
<b>Total Expenses (B)</b>		<b>5,739.67</b>	<b>5,408.92</b>	<b>5,686.31</b>	<b>2,616.12</b>	<b>2,763.18</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>		<b>719.67</b>	<b>585.12</b>	<b>492.15</b>	<b>259.66</b>	<b>239.58</b>
Finance Costs	<b>Y</b>	262.14	301.96	259.67	148.25	120.80
Depreciation and Amortization Expenses	<b>Z</b>	68.06	76.75	70.09	66.59	35.93
<b>Net Profit before exceptional items, extraordinary items and tax (C=A-B)</b>		<b>389.47</b>	<b>206.42</b>	<b>162.39</b>	<b>44.82</b>	<b>82.85</b>
Exceptional Items (D)		-	-	-	-	-
<b>Net Profit before extraordinary items and tax (E=C-D)</b>		<b>389.47</b>	<b>206.42</b>	<b>162.39</b>	<b>44.82</b>	<b>82.85</b>
Extraordinary Items (F)		-	-	-	-	-
<b>Net Profit before tax (G=E-F)</b>		<b>389.47</b>	<b>206.42</b>	<b>162.39</b>	<b>44.82</b>	<b>82.85</b>
<b>Provision for Tax</b>						
- Current Tax		136.07	76.05	65.57	22.31	24.93
- Tax adjustment of prior years		(2.53)	0.05	(1.92)	0.71	(0.64)
- Deferred Tax Liability / (Asset)		(5.85)	(5.22)	(2.84)	(5.72)	(2.26)
- MAT Credit Entitlement		-	-	-	-	-
<b>Tax Expense For The Year (H)</b>		<b>127.69</b>	<b>70.87</b>	<b>60.81</b>	<b>17.29</b>	<b>22.04</b>
<b>Restated Net Profit after tax from Continuing Operations (I=G-H)</b>		<b>261.78</b>	<b>135.54</b>	<b>101.57</b>	<b>27.53</b>	<b>60.82</b>
<b>Net Profit from Discontinuing Operations (J)</b>		-	-	-	-	-
<b>Restated Net Profit for the year from total operations (K=I+J)</b>		<b>261.78</b>	<b>135.54</b>	<b>101.57</b>	<b>27.53</b>	<b>60.82</b>



**Note:** The above standalone statement should be read with the restated standalone statement of assets and liabilities, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, III and IV respectively.

**ANNEXURE-III**  
**STANDALONE CASH FLOW STATEMENT (AS RESTATED)**

(Amt. Rs. In Lacs)

Particulars	For the Year ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
<b>1. Cash Flow From Operating Activities:</b>					
<b>Net Profit before tax and extraordinary item</b>	<b>389.47</b>	<b>206.42</b>	<b>162.39</b>	<b>44.82</b>	<b>82.85</b>
<i>Adjustments for:</i>					
Depreciation Expenses	68.06	58.76	64.12	48.75	30.41
Finance Cost	262.14	301.96	259.67	148.25	120.80
Interest Received / Other Non Operative Receipts	(9.95)	(16.39)	(2.63)	(0.08)	(1.86)
<b>Operating Profit before Changes in Operating Assets &amp; Liabilities</b>	<b>709.72</b>	<b>550.74</b>	<b>483.55</b>	<b>241.74</b>	<b>232.21</b>
<i>Adjustments for:</i>					
Inventories	137.16	(250.81)	(511.15)	(316.35)	(358.23)
Trade Receivables	60.65	(42.98)	(1,292.83)	0.22	8.06
Short Term & Long Term Loans & Advances	(31.72)	20.63	(55.47)	7.87	(9.64)
Other Current Assets	-	-	-	24.29	(24.29)
Trade Payables	(76.34)	(42.23)	359.59	115.54	(58.09)
Other Current Liabilities	(2.87)	(92.58)	103.82	17.25	16.83
Other Non-Current Liabilities	(29.96)	(2.77)	7.15	1.81	8.43
Short Term & Long Term Provisions	(33.54)	(10.64)	50.60	9.88	(9.41)
Other Non Current Assets	(25.22)	13.46	4.10	(7.12)	(8.19)
<b>Changes in Operating Assets &amp; Liabilities</b>	<b>(1.85)</b>	<b>(407.90)</b>	<b>(1,334.18)</b>	<b>(146.61)</b>	<b>(434.52)</b>
Cash Flow from Extra-Ordinary Items	-	-	-	-	-
<b>Cash Generated from Operations</b>	<b>707.87</b>	<b>142.83</b>	<b>(850.63)</b>	<b>95.13</b>	<b>(202.31)</b>
Taxes Paid	(82.22)	(108.08)	(4.28)	(20.03)	(23.06)
<b>Net Cash from Operating Activities</b>	<b>625.65</b>	<b>34.76</b>	<b>(854.91)</b>	<b>75.10</b>	<b>(225.36)</b>
<b>2. Cash Flow From Investing Activities:</b>					
Fixed Assets / Other Assets Purchased (Net)	(41.37)	(94.85)	(133.15)	(29.15)	(10.91)
Interest Received/ Other Non Operative Receipts	9.95	16.39	2.63	0.08	1.86
<b>Net Cash from Investing Activities</b>	<b>(31.42)</b>	<b>(78.45)</b>	<b>(130.52)</b>	<b>(29.07)</b>	<b>(9.06)</b>
<b>3. Cash Flow From Financing Activities:</b>					
Proceeds from Short term borrowings	(358.46)	(71.03)	586.34	124.80	459.65
Proceeds from Long term borrowings	(241.41)	454.69	762.72	(17.95)	(119.41)
Proceeds from Issue of Shares (Preferential Allotment)	333.96	-	-	-	-
Finance Cost	(262.14)	(301.96)	(259.67)	(148.25)	(120.80)
<b>Net Cash from Financing Activities</b>	<b>(528.06)</b>	<b>81.70</b>	<b>1,089.39</b>	<b>(41.40)</b>	<b>219.44</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>66.18</b>	<b>38.00</b>	<b>103.95</b>	<b>4.63</b>	<b>(14.98)</b>



Cash & Cash Equivalents at the beginning of the year	166.57	128.57	24.62	19.99	34.97
Cash & Cash Equivalents at the end of the year	232.75	166.57	128.57	24.62	19.99

**ANNEXURE-I**  
**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)**

(Amt. Rs. In Lacs)

	Particulars	Annx.	As At
			31-03-18
			Rs.
<b>(1)</b>	<b>Equity &amp; Liabilities</b>		
	Shareholders' Funds		
	(a) Share Capital	<b>A</b>	811.80
	(b) Reserves & Surplus	<b>B</b>	881.31
			<b>1,693.11</b>
<b>(2)</b>	<b>Minority Interest</b>	<b>A</b>	8.40
			<b>8.40</b>
<b>(3)</b>	<b>Non Current Liabilities</b>		
	(a) Long-term borrowings	<b>C</b>	1,472.82
	(b) Other Non-Current Liabilities	<b>D</b>	3.00
	(c) Long-term provisions	<b>E</b>	30.42
			<b>1,506.24</b>
<b>(4)</b>	<b>Current liabilities</b>		
	(a) Short-term borrowings	<b>F</b>	1,384.91
	(b) Trade payables	<b>G</b>	
	- Dues to Micro & Small Enterprises		-
	- Dues to Other Than Micro & Small Enterprises		715.78
	(c) Other current liabilities	<b>H</b>	213.60
	(d) Short-term provisions	<b>I</b>	222.15
			<b>2,536.44</b>
	<b>Total</b>		<b>5,744.18</b>
	<b>Assets</b>		
<b>(5)</b>	<b>Non-current assets</b>		
	(a) Fixed Assets	<b>J</b>	
	- Property, Plant & Equipment		548.09
	- Intangible Assets		10.51
	- Capital Work-In-Progress		36.77
	(b) Deferred Tax Assets	<b>K</b>	17.65
	(c) Long-term loans and advances	<b>L</b>	48.01
	(d) Other non-current assets	<b>M</b>	43.73
			<b>704.76</b>
<b>(6)</b>	<b>Current Assets</b>		
	(a) Inventories	<b>N</b>	2,842.01
	(b) Trade Receivables	<b>O</b>	1,778.67
	(c) Cash & Bank Balances	<b>P</b>	234.28
	(d) Short Term Loans & Advances	<b>Q</b>	176.63
	(e) Other Current Assets	<b>R</b>	7.82
			<b>5,039.42</b>



	<b>Total</b>		<b>5,744.18</b>

**Note:** The above consolidated statement should be read with the restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures II, III and IV respectively

**ANNEXURE-II**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS (AS RESTATED)**

(Amt. Rs. In Lacs)

Particulars	Annx	For The Year Ended
		31-03-18
<b>Continuing Operations</b>		
<b>Revenue from operations:</b>	<b>S</b>	
- Revenue From Sale of Products		6,485.32
<b>Net Revenue from operations</b>		<b>6,485.32</b>
Other income	<b>S</b>	47.04
<b>Total Revenue (A)</b>		<b>6,532.36</b>
<b>Expenses:</b>		
Cost of Materials & Stores Consumed	<b>T</b>	1,723.70
Purchase of Stock-in-trade	<b>U</b>	2,227.86
Changes in Inventories of Stock-in-Trade	<b>V</b>	102.86
Employee Benefits Expenses	<b>W</b>	594.20
Other Expenses	<b>X</b>	852.52
<b>Total Expenses (B)</b>		<b>5,501.15</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>		<b>1,031.22</b>
Finance Costs	<b>Y</b>	332.74
Depreciation and Amortization Expenses	<b>Z</b>	100.38
<b>Net Profit before exceptional items, extraordinary items and tax (C=A-B)</b>		<b>598.10</b>
Exceptional Items (D)		-
<b>Net Profit before extraordinary items and tax (E=C-D)</b>		<b>598.10</b>
Extraordinary Items (F)		-
<b>Net Profit before tax (G=E-F)</b>		<b>598.10</b>
<b>Provision for Tax</b>		
- Current Tax		191.85
- Tax adjustment of prior years		(2.53)
- Deferred Tax Liability / (Asset)		(10.28)
- MAT Credit Entitlement		-
<b>Tax Expense For The Year (H)</b>		<b>179.03</b>
<b>Restated Net Profit after tax from Continuing Operations before share of Minority Interest (I=G-H)</b>		<b>419.06</b>
<b>Less : Share in Profit of Subsidiary Firm attributable to Minority Interest (J)</b>		<b>2.44</b>
<b>Restated Net Profit after tax from Continuing Operations (K=I-J)</b>		<b>416.62</b>
<b>Net Profit from Discontinuing Operations (L)</b>		-
<b>Restated Net Profit for the year from total operations (M=K+L)</b>		<b>416.62</b>





**Note:** The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, III and IV respectively

**ANNEXURE-III**  
**CONSOLIDATED CASHFLOW STATEMENT (AS RESTATED)**

(Amt. Rs. In Lacs)

Particulars	For the Year ended
	31-03-18
<b>1.Cash Flow From Operating Activities:</b>	
<b>Net Profit before tax and extraordinary item</b>	<b>598.10</b>
<i>Adjustments for:</i>	
Depreciation Expenses	98.59
Finance Cost	332.74
Interest Received / Other Non Operative Receipts	(9.95)
<b>Operating Profit before Changes in Operating Assets &amp; Liabilities</b>	<b>1,019.48</b>
<i>Adjustments for:</i>	
Inventories	79.29
Trade Receivables	59.25
Short Term & Long Term Loans & Advances	(36.07)
Other Current Assets	(0.36)
Trade Payables	(92.02)
Other Current Liabilities	35.53
Other Non-Current Liabilities	(29.96)
Short Term & Long Term Provisions	(49.61)
Other Non Current Assets	(16.50)
<b>Changes in Operating Assets &amp; Liabilities</b>	<b>(50.45)</b>
Cash Flow from Extra-Ordinary Items	-
<b>Cash Generated from Operations</b>	<b>969.03</b>
Taxes Paid	(104.09)
<b>Net Cash from Operating Activities</b>	<b>864.94</b>
<b>2. Cash Flow From Investing Activities:</b>	
Fixed Assets / Other Assets Purchased (Net)	(72.35)
Interest Received/ Other Non Operative Receipts	9.95
<b>Net Cash from Investing Activities</b>	<b>(62.40)</b>
<b>3. Cash Flow From Financing Activities:</b>	
Proceeds from Short term borrowings	(231.93)
Proceeds from Long term borrowings	(505.41)
Dividend & DDT Paid	0.00
Proceeds from Issue of Shares (Preferential Allotment)	333.96
Finance Cost	(332.74)
<b>Net Cash from Financing Activities</b>	<b>(736.12)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>66.42</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>167.87</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>234.28</b>



## THE ISSUE

The following table summarizes the Issue details:

<b>Equity Shares Offered</b>	
Public Issue of Equity Shares by our Company <sup>(1)(2)</sup>	Upto 38,00,000 Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating to Rs. [●] Lakhs
<b>of which</b>	
Market Maker Reservation Portion	[●] Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating to Rs. [●] Lakhs
Net Issue to Public	[●] Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating to Rs. [●] Lakhs
<b>of which</b>	
<b>A. QIB Portion<sup>(3)</sup></b>	Not more than 50% of the Net Issue or upto [●] Equity Shares of face value of Rs.10/- each for cash at price of Rs.[●] per Equity Share aggregating Rs. [●] lakhs shall will be available for allocation to QIB (5% of which shall be allocated to mutual funds)
<b>B. Non-Institutional Portion<sup>(3)</sup></b>	Not less than 15% of the Net Issue or upto [●] Equity Shares of face value of Rs. 10/- each for cash at price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs will be available for allocation to Investors applying with application value of above Rs. 2.00 Lakhs
<b>C. Retail Portion<sup>(3)</sup></b>	Not less than 35% of the Net Issue or upto [●] Equity Shares of face value of Rs. 10/- each for cash at price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs will be available for allocation to Investors applying with application value of up to Rs. 2.00 Lakhs
Pre and Post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	81,18,000 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net Proceeds	Please see the chapter titled " <i>Objects of the Issue</i> " beginning on page 97for information about the use of the Net Proceeds.

- (1) *This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations. For further details, please refer to section titled "Issue Information" beginning on page 339.*
- (2) *This Public Issue pursuant to this Draft Red Herring Prospectus has been authorized by a resolution of our Board of Directors dated April 16, 2018 and by a special resolution of our Shareholders in their EGM dated April 19, 2018.*
- (3) *Allocation to all categorie, except Retail Category, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to the availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. Under subscription, if any, in any the category except QIB Category, 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 Book Running Lead Manager and NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.*

- (4) *Our Company in consultation with BRLM may consider a Pre-IPO Placement of up to 6,00,000 Equity Shares for cash aggregating Rs. [●] Lakhs, at its discretion in favour of such investors permissible under applicable laws, to be completed prior to filing of the Red Herring Prospectus with the RoC and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Issue size, subject to compliance with Rule 19(2)(b) of SCRR.*

For further details regarding the Issue Structure and Procedure, kindly refer to the chapters titled Issue Structure and Issue Procedure beginning on pages 346 and 350, respectively.



## GENERAL INFORMATION

Our Company was originally incorporated as “Parin Furniture Private Limited” on September 12, 2006 vide Registration no. 049074 (CIN: U36101GJ2006PTC049074) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat Dadra & Nagar Havelli. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on March 17, 2018, our company was converted into a Public Limited Company and the name of our Company was changed to “Parin Furniture Limited” vide a fresh Certificate of Incorporation dated April 04, 2018 bearing CIN U36101GJ2006PLC049074 issued by the Registrar of Companies, Ahmedabad, Gujarat.

For further details please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 147.

### Brief Company and Issue Information

<b>Registered Office</b>	Plot No. 6, Revenue Survey No. 149, National Highway, AT. Vavdi, Gondal Road, Rajkot, Gujarat – 360 004, India Tel. No. +91-281-3300777 Fax No. +91-281-3063000 E-Mail: <a href="mailto:info@parinfurniture.com">info@parinfurniture.com</a> Website: <a href="http://www.parinfurniture.com">www.parinfurniture.com</a>
<b>Date of Incorporation</b>	September 12, 2006
<b>Corporate Registration No.</b>	049074
<b>Corporate Identification No.</b>	U36101GJ2006PLC049074
<b>Company Category</b>	Company Limited by Shares
<b>Company Sub-category</b>	Indian Non - Government Company
<b>Address of Registrar of Companies</b>	Registrar of Companies, Ahmedabad, Gujarat ROC Bhavan , Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013 Tel No.: 079-27437597 Fax No.: 079-27438371 Email: <a href="mailto:roc.ahmedabad@mca.gov.in">roc.ahmedabad@mca.gov.in</a> Website: <a href="http://www.mca.gov.in">http://www.mca.gov.in</a>
<b>Designated Stock Exchange</b>	NSE EMERGE (SME Platform of NSE), Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai-400051, Maharashtra
<b>Bid/Issue Programme</b>	Bid/Issue Opens on: [●] Bid/Issue Closes on: [●]
<b>Company Secretary &amp; Compliance Officer</b>	<b>Ms. Krishna Subhashchandra Lodhiya</b> <b>Parin Furniture Limited</b> Plot No. 6, Revenue Survey No. 149, National Highway, AT. Vavdi, Gondal Road, Rajkot, Gujarat – 360 004, India Tel. No. +91-281-3300777 Fax No. +91-281-3063000 E-Mail: <a href="mailto:cs@parinfurniture.com">cs@parinfurniture.com</a> Website: <a href="http://www.parinfurniture.com">www.parinfurniture.com</a>
<b>Chief Financial Officer</b>	<b>Mr. Kamal Manaharlal Shah</b> Plot No. 6, Revenue Survey No. 149, National Highway, AT. Vavdi, Gondal Road, Rajkot, Gujarat – 360 004, India Tel. No. +91-281-3300777



	Fax No. +91-281-3063000 E-Mail: <a href="mailto:cfo@parinfurniture.com">cfo@parinfurniture.com</a> Website: <a href="http://www.parinfurniture.com">www.parinfurniture.com</a>
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## Investor Grievances

**Bidders can contact the Company Secretary & Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and unblocking of funds.**

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The investor should give full details such as name of the sole or first bidder, Bid cum Application Form number, DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the bidder. All grievances relating to Bids submitted through the Registered Broker and/or a Stock Broker may be addressed to the Stock Exchange with a copy to the Registrar.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

**For all issue related queries, and for redressal of complaints, applicant may also write to the Book Running Lead Manager. All complaints, queries or comments received by Stock Exchange shall be forwarded to the Book Running Lead Manager, who shall respond to the same.**

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

## Board of Directors of our Company

The Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Umesh Dhirajlal Nandani	Chairman & Managing Director	“Shree Vallabh”, 62-A, Panchavati Society, Panchavati Hall, Rajkot – 360 002, Gujarat, India	00039757
Mr. Parin Umeshbhai Nandani	Non-Executive Director	“Shree Vallabh”, 62-A, Panchavati Society, Main Road, Near Bhaktidham Temple, Near Panchavati Hall, Rajkot – 360 002, Gujarat, India	02343309
Mr. Deven Dipesh Nandani	Non-Executive Director	“Rushikesh”, Bungalow No.2, Parnakutir Society, Rajkot – 360 005, Gujarat, India	07576542
Mr. Dayalal Harjivanbhai Kesharia	Independent Director	Flat No. 301, Ami Palace, 150 Feet Ring Road, 6/7 Royal Park, University Road, Rajkot, Gujarat – 360 005, India	08114818
Dr. Shweta Chirag Kathrani	Independent Director	Chaitanya Shilpi, 2-Royal Park, Kalawad Road, Rajkot, Gujarat – 360 005 - India	08114974

For further details of the Directors of our Company, please refer to the chapter titled “*Our Management*” beginning on page 152.



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

<b>BOOK RUNNING LEAD MANAGER TO THE ISSUE</b>	<b>LEGAL ADVISOR TO THE ISSUE</b>
<p><b>Hem Securities Limited</b>            Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India            Tel No.:+91-22-4906 0000            Fax No.:+91-22-22625991            Email: <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a>            Investor Grievance Email: <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a>            Website: <a href="http://www.hemsecurities.com">www.hemsecurities.com</a>            Contact Person: Mr. Anil Bhargava            SEBI Regn. No.: INM000010981</p>	<p><b>Desai &amp; Diwanji</b>            Address: 2<sup>nd</sup> Floor, Lentin Chamber, Dalal Street, Fort, Mumbai, Maharashtra – 400 023, India.            Tel No.: +91 22 3984 1000            Fax No.: +91 22 2265 8245            Contact Person: Shrikant Malani</p>
<b>REGISTRAR TO THE ISSUE</b>	<b>ADVISOR TO THE ISSUE</b>
<p><b>KARVY COMPUTERSHARE PRIVATE LIMITED</b>            Address:- Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 India.            Tel.:- +91 40 6716 2222            Fax.:- +91 40 2343 1551            Email:- einward.ris@karvy.com            Investor grievance e-mail: parinfurniture.ipo@karvy.com            Website: www.karisma.karvy.com            Contact Person : Mr. M Murali Krishna            SEBI Registration No.: INR000000221            CIN : U72400TG2003PTC041636</p>	<p><b>CA Shilpang V. Karia</b>            Address: C/701-702, Titanium Square, Thaltej Cross Roads, S. G. Road, Ahmedabad-380059, Gujarat, India            Tel. No.:- +91- 79- 4032 0800            Mob. No.:+91- 98252 45520            Email: shilpangkaria@yahoo.co.in            Membership No.: 102114</p>
<b>STATUTORY AUDITORS</b>	<b>PEER REVIEW AUDITORS*</b>
<p><b>M/s Bhavin Associates</b>  <b>Chartered Accountants</b>            Address: Everest Complex, 7<sup>th</sup> Floor, Office No. 709, Limda Chowk, Subhash Road, Rajkot – 360 001,            Tel. No.:- +91 281 2220123            Email: bhansali_ca@hotmail.com            Firm Registration No.: 101383W            Contact Person: CA Bhavin P. Bhansali</p>	<p><b>M/s J B Shah &amp; Co.</b>  <b>Chartered Accountants</b>            Address: 302, Satkar Complex, Behind Lal Bungalow Opp. IFCI Bhavan, C G Road, Navrangpura, Ahmedabad 380009            Tel. No.:- +91-79-26406348            Email: ca.jbshah@gmail.com            Firm Registration No.: 121333W            Contact Person: CA Jasmin B Shah</p>
<b>BANKERS TO THE ISSUE</b>	<b>BANKERS TO THE COMPANY</b>
[•]	[•]

\*M/s J B Shah & Co., Chartered Accountants are appointed as peer review auditors of our Company in compliance with section IX of part A of Schedule VIII of SEBI (ICDR) Regulations and holds a valid peer reviewed certificate dated September 16, 2016 issued by the Institute of Chartered Accountants of India.

**SYNDICATE MEMBERS**

[•]

**STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES**

Since, Hem Securities Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Managers is not required.





## **SELF CERTIFIED SYNDICATE BANKS (“SCSBS”)**

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

## **REGISTERED BROKERS**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the NSE at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

## **REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

## **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries 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**

This being an Issue of Equity Shares, credit rating 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.

## **DEBENTURE TRUSTEES**

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

## **TRUSTEES**

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

## **MONITORING AGENCY**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10000 Lakhs.

## **APPRAISING ENTITY**

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



## EXPERTS OPINION

Except for the reports in the section “*Financial Information of the Company*” and “*Statement of Tax Benefits*” beginning on page 187 and 107 respectively from the Statutory Auditor and Peer Review Auditors, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditor and Peer Review Auditors for inclusion of their name. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## BOOK BUILDING PROCESS

The book building process, in the context of the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus, the Bid cum Application Form and the Revision Form. The Price Band for the Issue will be decided by our Company, in consultation with the BRLM, in the manner as agreed upon in the Issue Agreement. The minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM, and will be advertised in [●] editions of the English national newspaper [●], [●] editions of the Hindi national newspaper [●] and the Gujarati newspaper [●] (Gujarati being the regional language of Gujarat, where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/ Issue Opening Date. The Issue Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

- (1) Our Company;
- (2) the BRLM;
- (3) the Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as Underwriters;
- (4) the Registrar to the Issue;
- (5) the Escrow Collection Banks/ Bankers to the Issue;
- (6) the SCSBs; and
- (7) the Registered Brokers.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids prior to the Bid/Issue Closing Date.

We will comply with the SEBI (ICDR) Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed Hem Securities Limited as the Book Running Lead Manager, respectively to manage the issue and procure subscriptions to the issue.

**The process of Book Building under the SEBI (ICDR) Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the issue. For further details on the method and procedure for Bidding, please see section entitled “Issue Procedure” beginning on page 350.**

**Illustration of Book Building and Price Discovery Process:** *(Investors should note that this example is solely for illustrative purposes and is not specific to the issue)*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs.24 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.



Bid Quantity	Bid Amount(Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The issuer, in consultation with the Book Running Lead Manager will finalize the issue price at or below such cut-off price, i.e., at or below Rs. 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

#### **Steps to be taken by the Bidders for Bidding:**

- Check eligibility for making a Bid. For further details, please see the chapter titled “Issue Procedure” beginning on page 350.
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum-Application Form;
- Ensure that the Bid-cum-Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form;
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the IT Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for bidders residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the bidders by collecting sufficient documentary evidence in support of their claims;
- Ensure the correctness of your Demographic Details, given in the Bid-cum-Application Form with the details recorded with your Depository Participant
- Ensure the correctness of your PAN, beneficiary account number, DP ID and Client ID given in the Bid-cum-Application Form. Based on these parameters, the Registrar will obtain details of the Bidders from the Depositories including the Bidder’s name and bank account number, among others;

For further details please see the chapter titled “Issue Procedure” beginning on page 350. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the BRLM, reserve the right not to proceed with the Issue at any time before the Bid/Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Bid/Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Bid/Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. 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.

The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction. If our Company withdraws the Issue after the Bid/Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Draft Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## UNDERWRITING

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten by the Underwriter [●].

Pursuant to the terms of the Underwriting Agreement dated [●] entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten*	Amount Underwritten (Rs. in Lakhs)	% of Total Issue Size Underwritten
[●]	[●]	[●]	100%

\*Includes [●] Equity Shares of the Market Maker Reservation Portion which is to be subscribed by the Market Maker [●] in its own account in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended.

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

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

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Book Running Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker, to fulfill the obligations of Market Making for this issue:

<b>Name</b>	[●]
<b>Correspondence Address:</b>	
<b>Tel No.:</b>	
<b>Fax No.</b>	
<b>E-mail:</b>	
<b>Website:</b>	
<b>Contact Person:</b>	
<b>SEBI Registration No.:</b>	
<b>NSE Market Maker Registration No.</b>	



The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by 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 prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of NSE EMERGE Platform and SEBI from time to time.
- 3) The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 4) The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on NSE EMERGE PLATFORM (in this case currently the minimum trading lot size is [●] equity shares; however the same may be changed by NSE EMERGE Platform of NSE from time to time).
- 5) 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. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size 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 reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
- 6) 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.
- 7) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 8) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 9) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- 10) The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.



- 11) 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
- 12) The Market Maker(s) shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

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

- 13) **Risk containment measures and monitoring for Market Maker:** SME portal of NSE “NSE Emerge” will have all margins, which are applicable on 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.
- 14) **Punitive Action in case of default by Market Maker:** NSE’s SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- 15) **Price Band and Spreads:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.





- 16) 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%

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



## CAPITAL STRUCTURE

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Draft Red Herring Prospectus.

(Rs. in Lakhs, except share data)

	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorized Share Capital</b> 1,25,00,000 Equity Shares having face value of Rs. 10/- each	1250.00	-
<b>B</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 81,18,000 Equity Shares having face value of Rs.10/- each	811.80	-
<b>C</b>	<b>Present Issue in terms of this Draft Red Herring Prospectus*</b> Up to 38,00,000 Equity Shares having face value of Rs. 10/- each at a Premium of Rs. [●] per share	[●]	[●]
	<b>Which Comprises</b>		
<b>I.</b>	<b>Reservation for Market Maker portion</b> [●] Equity Shares of Rs.10/- each at a premium of Rs. [●] per Equity Share	[●]	[●]
<b>II.</b>	<b>Net Issue to the Public</b> [●] Equity Shares of Rs. 10/- each at a premium of Rs. [●] per Equity Share	[●]	[●]
	<b>of which</b>		
	[●] Equity Shares of Rs. 10/- each at a premium of Rs. [●] per Equity Share will be available for allocation to QIB	[●]	[●]
	<i>of which</i>		
	[●] Equity Shares shall be available for allocation to mutual funds only		
	[●] Equity Shares shall be available for all QIBs including mutual funds		
	[●] Equity Shares of Rs. 10/- each at a premium of Rs. [●] per Equity Share will be available for allocation for allotment to Retail Individual Bidders	[●]	[●]
	[●] Equity Shares of Rs. 10/- each at a premium of Rs. [●] per Equity Share will be available for allocation for allotment to Non-institutional Investors	[●]	[●]
<b>D</b>	<b>Paid up Equity capital after the Issue</b> [●] Equity Shares having face value of Rs.10/- each	[●]	[●]
<b>E</b>	<b>Securities Premium Account</b> Before the Issue After the Issue		501.58 [●]

*\*The present Issue of up to 38,00,000 Equity Shares in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated April 16, 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 held on April 19, 2018.*

Our Company in consultation with BRLM may consider a Pre-IPO Placement of up to 6,00,000 Equity Shares for cash aggregating Rs. [●] Lakhs, at its discretion in favour of such investors permissible under applicable laws, to be completed prior to filing of the Red Herring Prospectus with the RoC and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Issue size, subject to compliance with Rule 19(2)(b) of SCRR.

#### Classes of Shares

Our Company has only one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

#### Details of changes in Authorized Share Capital of our Company:

Date of Meeting	AGM/EGM	Changes in Authorized Share Capital
Upon Incorporation	---	Authorized Share capital of our Company was Rs. 50.00 Lakhs divided into 5,00,000 Equity Shares of face value of Rs. 10/- each.
March, 03, 2018	EGM	Increase in the Authorized Share Capital of our Company from Rs. 50.00 Lakhs divided into 5,00,000 Equity Shares of face value of Rs. 10/- each to Rs. 1250 Lakhs divided into 1,25,00,000 Equity Shares of face value of Rs. 10/- each.

#### Notes to Capital Structure:

##### 1. Equity Share Capital History of our Company:

a) The following table sets forth details of the history of the Equity Share Capital of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (including Premium if applicable (Rs.))	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (Rs.)	Cumulative Paid Up Capital (Rs.)
Upon Incorporation	30,000	10	10	Cash	Subscription to MOA <sup>(i)</sup>	30,000	Nil	3,00,000
July 01, 2007	1,10,000	10	10	Cash	Further Allotment <sup>(ii)</sup>	1,40,000	Nil	14,00,000
August 16, 2007	1,10,000	10	10	Cash	Further Allotment <sup>(iii)</sup>	2,50,000	Nil	25,00,000
March 20, 2009	50,000	10	200	Cash	Further Allotment <sup>(iv)</sup>	3,00,000	95,00,000	30,00,000
June 01, 2017	2,00,000	10	202.79	Other than cash	Allotment pursuant to Acquisition of Equity Shares of	5,00,000	4,80,58,000	50,00,000



					Pearl Furniture Private Limited (v)*			
March 17, 2018	50,00,000	10	Nil	-	Bonus Issue of 10 Equity Shares against 1 equity share held (vi)	55,00,000	4,29,41,508	5,50,00,000
March 24, 2018	11,00,000	10	Nil	-	Bonus Issue of 1 Equity Shares against 5 equity share held (vii)	66,00,000	3,19,41,508	6,60,00,000
March 29, 2018	15,18,000	10	22	Cash	Further allotment of shares-Private Placement (viii)	81,18,000	5,01,57,508	8,11,80,000

\*Our Company has acquired 19,00,000 Equity Shares of Pearl Furniture Pvt Ltd in exchange of allotting 2,00,000 Equity Shares of our Company.

All the above mentioned shares are fully paid up since the date of allotment.

- (i) Mr. Umesh Dhirajlal Nandani, Late Dipeshkumar Dhirajlal Nandani, and Mr. Bindeshkumar Dhirajlal Nandani were allotted 10,000 Equity shares each, pursuant to their subscription to Memorandum of Association.

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1	Umesh Dhirajlal Nandani	10,000
2	Late Dipeshkumar Dhirajlal Nandani	10,000
3	Bindeshkumar Dhirajlal Nandani	10,000
	<b>Total</b>	<b>30,000</b>

- (ii) Further allotment of 1,10,000 Equity shares of face value of Rs. 10/- each per share were made to the following:

Sr. No.	Name of Allottees	Number of Shares Allotted
1	Late Dipeshkumar Dhirajlal Nandani	90,000
2	Late Avniben Dipeshkumar Nandani	20,000
	<b>Total</b>	<b>1,10,000</b>

- (iii) Further allotment of 110,000 Equity shares of face value of Rs. 10/- each per share were made to the following:

Sr. No.	Name of Allottees	Number of Shares Allotted
1	Umeshkumar Dhirajlal Nandani HUF	110,000
	<b>Total</b>	<b>1,10,000</b>

- (iv) Further allotment of 50,000 Equity shares of face value of Rs. 10/- each per share at issue price of Rs. 200 per share were made to the following:



<b>Sr. No.</b>	<b>Name of Allottees</b>	<b>Number of Shares Allotted</b>
1	Darshil Umeshbhai Nandani	25,000
2	Devenbhai Dhirajlal Nandani	25,000
	<b>Total</b>	<b>50,000</b>



(v) Further allotment of 2,00,000 Equity Shares of face value of Rs. 10/- each per share at a price of Rs. 202.79 were made to the following:

Sr. No.	Name of Allottees	Number of Shares Allotted
1	Deven Dipesh Nandani	74,000
2	Nehaben Umesh Nandani	16,400
3	Parin Umeshbhai Nandani	1,09,600
	<b>Total</b>	<b>2,00,000</b>

(vi) Bonus issue of 50,00,000 Equity Shares of face value of Rs. 10/- each in the ratio of 10:1 i.e. 10 Bonus Equity Shares for every 1 Equity Share held by shareholders. (Please refer point no. 3 for allottees list)

(vii) Bonus issue of 11,00,000 Equity Shares of face value of Rs. 10/- each in the ratio of 1:5 i.e. 1 Bonus Equity Shares for every 5 Equity Share held by shareholders. (Please refer point no. 3 for allottees list)

(viii) Further allotment (Private Placement) of 15,18,000 Equity Shares of face value of Rs. 10/- each per share at issue price of Rs. 22 per share were made to :-

Sr. No.	Name of Allottees	Number of Shares Allotted
1	Umesh Dhirajlal Nandani	1,18,000
2	P.P. Furniture Private Limited	14,00,000
	<b>Total</b>	<b>15,18,000</b>

b) As on the date of this Draft Red Herring Prospectus, our Company does not have any Preference Share Capital.

## 2. Details of Allotment made in the last two years preceding the date of this Draft Red Herring Prospectus:

Except as mentioned in point 1 (a) (v), (vi), (vii) & (viii) above, we have not issued any Equity Share in the last two years preceding the date of this Draft Red Herring Prospectus.

## 3. Issue of Equity Shares for consideration other than cash

Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
June 01, 2017	2,00,000	10	202.79	Allotment pursuant to acquisition of Equity Shares of	Acquired 19,00,000 Equity Shares of Pearl Furniture Private	Deven Dipesh Nandani	74,000
						Nehaben Umesh Nandani	16,400
						Parin Umeshbhai Nandani	1,09,600
						<b>Total</b>	<b>2,00,000</b>



				Pearl Furniture Private Limited	Limited		
March 17, 2018	50,00,000	10	Nil	Bonus Issue of 10 Equity Shares against 1 equity share held	Capitalization of Reserves & Surplus	Umesh Dhirajlal Nandani	2,00,000
						Umesh Dhirajlal Nandani HUF	11,00,000
						Darshil Umeshbhai Nandani	2,50,000
						Deven Dipesh Nandani	21,90,000
						Parin Umeshbhai Nandani	10,95,000
						Nehaben Umesh Nandani	1,64,000
						Poojaben Parin Nandani	1,000
						<b>Total</b>	<b>50,00,000</b>
March 24, 2018	11,00,000	10	Nil	Bonus Issue of 1 Equity Shares against 5 equity share held	Capitalization of Reserves & Surplus	Umesh Dhirajlal Nandani	44,000
						Umesh Dhirajlal Nandani HUF	2,42,000
						Darshil Umeshbhai Nandani	55,000
						Deven Dipesh Nandani	4,81,800
						Parin Umeshbhai Nandani	2,40,900
						Nehaben Umesh Nandani	36,080
						Poojaben Parin Nandani	220
						<b>Total</b>	<b>11,00,000</b>

\*Above allotment of shares has been made out of Reserve & Surplus available for distribution to shareholders and no part of revaluation reserve has been utilized for the purpose.

- No Equity Shares have been allotted pursuant to any scheme approved under sections 230-233 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.
- We have not revalued our Assets since inception and have not issued any Equity Shares (including Bonus shares) by capitalizing any revaluation reserves.
- Except as mentioned below, no Equity shares have been issued which may be at price below the Issue price within last one year from the date of this Draft Red Herring Prospectus.

Date of Allotment	Name of Allottees	No. of Equity Shares allotted	Face Value (in Rs.)	Issue Price (in Rs.)	Nature of Allotment	Category of Allottees
March 17, 2018	Umesh Dhirajlal Nandani	2,00,000	10	Nil	Bonus Issue of 10 Equity Shares against 1 equity share held	Promoter
	Umesh Dhirajlal Nandani HUF	11,00,000				Promoter Group
	Darshil Umeshbhai Nandani	2,50,000				Promoter Group
	Deven Dipesh Nandani	21,90,000				Promoter
	Parin Umeshbhai Nandani	10,95,000				Promoter
	Nehaben Umesh Nandani	1,64,000				Promoter



						Group
	Poojaben Parin Nandani	1,000				Promoter Group
	<b>Total</b>	<b>50,00,000</b>				
March 24, 2018	Umesh Dhirajlal Nandani	44,000	10	Nil	Bonus Issue of 1 Equity Shares against 5 equity share held	Promoter
	Umesh Dhirajlal Nandani HUF	2,42,000				Promoter Group
	Darshil Umeshbhai Nandani	55,000				Promoter Group
	Deven Dipesh Nandani	4,81,800				Promoter
	Parin Umeshbhai Nandani	2,40,900				Promoter
	Nehaben Umesh Nandani	36,080				Promoter Group
	Poojaben Parin Nandani	220				Promoter Group
	<b>Total</b>	<b>11,00,000</b>				
March 29, 2018	Umesh Dhirajlal Nandani	1,18,000	10	22	Further allotment of shares-Private Placement	Promoter
	P P Furniture Pvt Ltd	14,00,000				Promoter Group
	<b>Total</b>	<b>15,18,000</b>				

#### 7. Capital Buildup in respect of Shareholding of our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters Mr. Umesh Dhirajlal Nandani, Mr. Deven Dipesh Nandani and Mr. Parin Umeshbhai Nandani hold 9,13,120, 26,87,200, and 13,42,280 Equity Shares respectively of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (Rs.)	Issue/ Acquisition/ Transfer Price (Rs.)	Nature of Transactions	Pre-Issue Shareholding %	Post-Issue Shareholding %	Lock-in Period	Source of Funds
<b>(A) Mr. Umesh Dhirajlal Nandani</b>								
September 12, 2006	10,000	10	10	Subscriber to MOA	0.12	[●]	[●]	Own Fund
March 31, 2014	10	10	10	Acquisition of share by way of Transfer	0.0001	[●]	[●]	Own Fund
March 05, 2018	9966	10	10*	Acquisition of share by way of Gift	0.12	[●]	[●]	Own Fund
March 05, 2018	24	10	202.79	Acquisition of share by way of	0.0003	[●]	[●]	Own Fund

				Transfer				
March 17, 2018	2,00,000	10	-	Bonus Issue	2.46	[●]	[●]	NA
March 24, 2018	44,000	10	-	Bonus Issue	0.54	[●]	[●]	NA
March 29, 2018	1,18,000	10	22	Acquisition of share by way of Further Allotment-Private Placement	1.45	[●]	[●]	Own Fund
March 31, 2018	2,14,000	10	0.7576	Acquisition of share by way of HUF Dissolution	2.64	[●]	[●]	Own Fund
March 31, 2018	1,13,520	10	13.48 <sup>#</sup>	Acquisition of share by way of Gift	1.40	[●]	[●]	Own Fund
March 31, 2018	2,03,600	10	7.34 <sup>#</sup>	Acquisition of share by way of Gift	2.51	[●]	[●]	Own Fund
<b>Total (A)</b>	<b>9,13,120</b>				<b>11.25</b>			
<b>(B) Mr. Deven Dipesh Nandani</b>								
March 20, 2009	25,000	10	200	Acquisition of share by way of further allotment	0.31	[●]	[●]	Own Fund
August 09, 2016	1,20,000	10	10	Acquisition of share by way of transmission	1.48	[●]	[●]	NA
June 01, 2017	74,000	10	202.79	In consideration of sale of equity shares of Pearl Furniture Private Limited	0.91	[●]	[●]	Own Fund
March 17, 2018	8,81,000	10	-	Bonus Issue	10.85	[●]	[●]	NA
March 17, 2018	13,09,000	10	-	Bonus Issue	16.12	[●]	[●]	NA
March 24, 2018	4,81,800	10	-	Bonus Issue	5.93	[●]	[●]	NA



March 31, 2018	(2,03,600)	10	7.34 <sup>#</sup>	Share Transfer by way of Gift	(2.51)	[●]	[●]	Own Fund
<b>Total (B)</b>	<b>26,87,200</b>				<b>33.10</b>	[●]		
<b>( C ) Mr. Parin Umeshbhai Nandani</b>								
August 13, 2007	10	10	10	Acquisition of share by way of Transfer	0.0001	[●]	[●]	Own Fund
March 31, 2014	(10)	10	10	Sale of Shares by way of Transfer	(0.0001)	[●]	[●]	Own Fund
June 01, 2017	1,09,600	10	202.79	In consideration of sale of equity shares of Pearl Furniture Private Limited	1.35	[●]	[●]	Own Fund
March 05, 2018	(100)	10	10	Sale of Shares by way of Transfer	(0.001)	[●]	[●]	Own Fund
March 17, 2018	1,40,500	10	-	Bonus Issue	1.73	[●]	[●]	NA
March 17, 2018	9,54,500	10	-	Bonus Issue	11.76	[●]	[●]	NA
March 24, 2018	2,40,900	10	-	Bonus Issue	2.97	[●]	[●]	NA
March 31, 2018	2,14,000	10	0.7576	Acquisition of share by way of HUF Dissolution	2.64	[●]	[●]	Own Fund
March 31, 2018	(3,17,120)	10	13.48 <sup>#</sup>	Transfer of Shares by Gift	(3.91)	[●]	[●]	Own Fund
<b>Total ( C )</b>	<b>13,42,280</b>				<b>16.53</b>			

\*Share per cost has been taken at cost to the previous owner.

<sup>#</sup>Share per cost has been taken at average cost of all transactions happened before gifting of shares incurred by previous owner.



(i) Details of Acquisition by Mr. Umesh Dhirajlal Nandani by way of transfer of 10 Equity Shares dated March 31, 2014

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	March 31, 2014	Mr. Parin Umeshbhai Nandani	10	Mr. Umesh Dhirajlal Nandani
		<b>Total</b>	<b>10</b>	

(ii) Details of Acquisition by Mr. Umesh Dhirajlal Nandani by way of transfer of 9990 Equity Shares dated March 05, 2018

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	March 05, 2018	Mr. Bindesh Dhirajlal Nandani	9966	Mr. Umesh Dhirajlal Nandani
2.	March 05, 2018	Mr. Amitbhai Patadia	1	Mr. Umesh Dhirajlal Nandani
3.	March 05, 2018	Mr. Narendra Khakhar	1	Mr. Umesh Dhirajlal Nandani
4.	March 05, 2018	Mr. Hareshbhai Patadia	1	Mr. Umesh Dhirajlal Nandani
5.	March 05, 2018	Mr. Harjivan Keshariya	1	Mr. Umesh Dhirajlal Nandani
6.	March 05, 2018	Mr. Harsukhrai Patadia	1	Mr. Umesh Dhirajlal Nandani
7.	March 05, 2018	Mr. Jayeshbhai Patadia	1	Mr. Umesh Dhirajlal Nandani
8.	March 05, 2018	Mr. Kalpeshkumar Patadia	1	Mr. Umesh Dhirajlal Nandani
9.	March 05, 2018	Mr. Maheshbhai Patadia	1	Mr. Umesh Dhirajlal Nandani
10.	March 05, 2018	Mr. Nileshkumar Patadia	1	Mr. Umesh Dhirajlal Nandani
11.	March 05, 2018	Ms. Niruben Patadia	1	Mr. Umesh Dhirajlal Nandani
12.	March 05, 2018	Mr. Umeshkumar Patadia	1	Mr. Umesh Dhirajlal Nandani
13.	March 05, 2018	Ms. Heenaben Patadia	1	Mr. Umesh Dhirajlal Nandani
14.	March 05, 2018	Ms. Nayanaben Patadia	1	Mr. Umesh Dhirajlal Nandani
15.	March 05, 2018	Ms. Pallaviben Patadia	1	Mr. Umesh Dhirajlal Nandani
16.	March 05, 2018	Ms. Varshaben Patadia	1	Mr. Umesh Dhirajlal Nandani
17.	March 05, 2018	Ms. Neelaben Patadia	1	Mr. Umesh Dhirajlal Nandani
18.	March 05, 2018	Ms. Sheetalben Patadia	1	Mr. Umesh Dhirajlal Nandani
19.	March 05, 2018	Ms. Madhuriben Patadia	1	Mr. Umesh Dhirajlal



				Nandani
20	March 05, 2018	Mr. Mukeshbhai Bhimani	1	Mr. Umesh Dhirajlal Nandani
21	March 05, 2018	Ms. Bhanumati Patadia	1	Mr. Umesh Dhirajlal Nandani
22	March 05, 2018	Mr. Jay B Nandani	1	Mr. Umesh Dhirajlal Nandani
23	March 05, 2018	Mr. Mahendra Rajdev	1	Mr. Umesh Dhirajlal Nandani
24	March 05, 2018	Ms. Chetnaben Patadia	1	Mr. Umesh Dhirajlal Nandani
25	March 05, 2018	Ms. Shardaben Patadia	1	Mr. Umesh Dhirajlal Nandani
		<b>Total</b>	<b>9990</b>	

(iii) Details of Acquisition by Mr. Umesh Dhirajlal Nandani by way of HUF Dissolution and Gift of 5,31,120 Equity Shares dated March 31, 2018

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	March 31, 2018	Umesh Dhirajlal Nandani HUF	2,14,000	Umesh Dhirajlal Nandani
2.	March 31, 2018	Mr. Parin Umeshbhai Nandani	1,13,520	Umesh Dhirajlal Nandani
3.	March 31, 2018	Mr. Deven Dipesh Nandani	2,03,600	Umesh Dhirajlal Nandani
		<b>Total</b>	<b>5,31,120</b>	

(iv) Details of Acquisition by Mr. Deven Dipesh Nandani by way of transmission of 1,20,000 Equity Shares dated August 09, 2016

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	August 09, 2016	Late Dipesh Dhirajlal Nandani	1,20,000	Mr. Deven Dipesh Nandani
		<b>Total</b>	<b>1,20,000</b>	

(v) Details of transfer of Shares by Mr. Deven Dipesh Nandani of 2,03,600 Equity Shares by way of gift dated March 31, 2018

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	March 31, 2018	Mr. Deven Dipesh Nandani	2,03,600	Mr. Umesh Dhirajlal Nandani
		<b>Total</b>	<b>2,03,600</b>	

(vi) Details of Acquisition by Mr. Parin Umeshbhai Nandani by way of transfer of 10 Equity Shares dated August 13, 2007

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	August 13, 2007	Mr. Bindesh Dhirajlal Nandani	10	Mr. Parin Umeshbhai Nandani
		<b>Total</b>	<b>10</b>	

(vii) Details of Acquisition by Mr. Parin Umeshbhai Nandani of 2,14,000 Equity Shares by way of HUF Dissolution dated March 31, 2018

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	March 31, 2018	Umesh Dhirajlal Nandani HUF	2,14,000	Mr. Parin Umeshbhai Nandani
		<b>Total</b>	<b>2,14,000</b>	

(viii) Details of sale of Shares by Mr. Parin Umeshbhai Nandani of 10 Equity Shares dated March 31, 2014

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	March 31, 2014	Mr. Parin Umeshbhai Nandani	10	Mr. Umesh Dhirajlal Nandani
		<b>Total</b>	<b>10</b>	

(ix) Details of sale of Shares by Mr. Parin Umeshbhai Nandani of 100 Equity Shares dated March 05, 2018

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	March 05, 2018	Mr. Parin Umeshbhai Nandani	100	Mrs. Pooja Parinbhai Nandani
		<b>Total</b>	<b>100</b>	

(x) Details of transfer of shares by Mr. Parin Umeshbhai Nandani of 3,17,120 Equity Shares by way of gift dated March 31, 2018

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	March 31, 2018	Mr. Parin Umeshbhai Nandani	1,13,520	Mr. Umesh Dhirajlal Nandani
2.	March 31, 2018	Mr. Parin Umeshbhai Nandani	2,03,600	Mr. Darshil Umesh Nandani
		<b>Total</b>	<b>3,17,120</b>	

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

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)*
1.	Mr. Umesh Dhirajlal Nandani	9,13,120	6.56
2.	Mr. Deven Dipesh Nandani	26,87,200	7.34
3.	Mr. Parin Umeshbhai Nandani	13,42,280	13.48
	<b>Total</b>	<b>49,42,600</b>	

\* In case of shares acquired by way of gift or partition of HUF, cost of previous owner has been taken as cost of acquisition.

## 9. Shareholding of Promoters and Promoters Group

Following are the details of pre and post Issue shareholding of persons belonging to the category “Promoters and Promoter Group”:

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters</b>				
1.	Mr. Umesh Dhirajlal Nandani	9,13,120	11.25	9,13,120	[●]
2.	Mr. Deven Dipesh Nandani	26,87,200	33.10	26,87,200	[●]





3.	Mr. Parin Umeshbhai Nandani	13,42,280	16.53	13,42,280	[●]
	<b>Sub Total (A)</b>	<b>49,42,600</b>	<b>60.88</b>	<b>49,42,600</b>	<b>[●]</b>
	<b>Promoter Group</b>				
1.	Mrs. Nehaben Umesh Nandani	4,30,480	5.30	4,30,480	[●]
2.	Mrs. Pooja Parin Nandani	1,320	0.02	1,320	[●]
3.	Mr. Darshil Umeshbhai Nandani	13,43,600	16.55	13,43,600	[●]
4.	P.P. Furniture Private Limited	14,00,000	17.25	14,00,000	[●]
	<b>Sub Total (B)</b>	<b>31,75,400</b>	<b>39.12</b>	<b>31,75,400</b>	<b>[●]</b>
	<b>Grand Total (A+B)</b>	<b>81,18,000</b>	<b>100.00</b>	<b>[●]</b>	<b>[●]</b>

10. Except as provided below, there are no Equity Shares acquired / purchased / sold by the Promoters and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Draft Red Herring Prospectus:

Date of Allotment / Transfer	Name of Shareholder	Party Category	Nature of Transactions	Price	Number of Shares Transacted
March 05, 2018	Mr. Umesh Dhirajlal Nandani	Promoter	Acquisition of share by way of Gift	10	9966
March 05, 2018	Mr. Umesh Dhirajlal Nandani	Promoter	Acquisition of share by way of Transfer	202.79	24
March 05, 2018	Mr. Parin Umeshbhai Nandani	Promoter	Sale of Shares by way of Transfer	202.79	100
March 29, 2018	Mr. Umesh Dhirajlal Nandani	Promoter	Acquisition by way of allotment of shares	22	1,18,000
March 29, 2018	P.P. Furniture Private Limited	Promoter Group	Acquisition by way of allotment of shares	22	14,00,000
March 31, 2018	Mr. Umesh Dhirajlal Nandani	Promoter	Acquisition of share by way of HUF Dissolution	0.7576	2,14,000
March 31, 2018	Mr. Umesh Dhirajlal Nandani	Promoter	Acquisition of share by way of Gift	13.48 <sup>#</sup>	3,17,120
March 31, 2018	Mr. Darshil Umeshbhai Nandani	Promoter Group	Acquisition of share by way of HUF Dissolution	0.7576	8,10,000
March 31, 2018	Mr. Darshil Umeshbhai Nandani	Promoter Group	Acquisition of share by way of Gift	13.48 <sup>#</sup>	2,03,600
March 31,	Mrs. Nehaben Umeshbhai	Promoter	Acquisition of	0.7576	2,14,000



2018	Nandani	Group	share by way of HUF Dissolution		
March 31, 2018	Mr. Deven Dipesh Nandani	Promoter	Transfer of share by way of Gift	7.34 <sup>#</sup>	( 2,03,600)
March 31, 2018	Mr. Parin Umeshbhai Nandani	Promoter	Acquisition of share by way of HUF dissolution	0.7576	2,14,000
March 31, 2018	Mr. Parin Umesh Nandani	Promoter	Transfer of share by way of Gift	13.48 <sup>#</sup>	(1,13,520)
March 31, 2018	Mr. Parin Umeshbhai Nandani	Promoter	Transfer of share by way of Gift	13.48 <sup>#</sup>	( 2,03,600)

\*Share per cost has been taken at cost to the previous owner.

<sup>#</sup>Share per cost has been taken at average cost of all transactions happened before gifting of shares incurred by previous owner.

#### 11.Details of Promoters' Contribution Locked-in for Three Years

Date of Allotment/Acquisition	Date when made Fully paid up	No. of shares Allotted/Acquired	Face Value	Issue Price/Acquisition Price	Nature of Allotment	% Pre-Issue paid up capital (in shares)	% Post issue paid up capital (in shares)	Lock-In Period
<b>Mr. Umesh Dhirajlal Nandani</b>								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>Mr. Deven Dipesh Nandani</b>								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>Mr. Parin Umeshbhai Nandani</b>								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "promoter" under the SEBI ICDR Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 33 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 36(a) of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

No Equity Shares proposed to be locked-in as Minimum Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Promoter, Mr. Umesh Dhirajlal Nandani, Mr. Deven Dipesh Nandani and Mr. Parin Umeshbhai Nandani have, by a written undertaking, consented to have [●],[●] and [●] equity shares held by them respectively to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed / sold / transferred by the promoter during the period starting from the date of filing this



Draft Red Herring Prospectus with NSE till the date of commencement of lock-in period as stated in this Draft Red Herring Prospectus. The Equity Shares under the Promoters contribution will constitute [●] % of our post-issue paid up share capital.

Our Promoters have also consented that the Promoters contribution under Regulation 32 of the SEBI ICDR Regulations will not be less than 20% of the post issue paid up capital of our Company.

**Eligibility of Share for “Minimum Promoters Contribution in terms of clauses of Regulation 33 (1) of SEBI (ICDR) Regulations, 2009**

<b>Reg. No.</b>	<b>Promoters’ Minimum Contribution Conditions</b>	<b>Eligibility Status of Equity Shares forming part of Promoter’s Contribution</b>
33(1) (a) (i)	Specified securities 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	The Minimum Promoter’s contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. <b><u>Hence Eligible</u></b>
33 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters’ contribution	The minimum Promoter’s contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
33 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer.	The minimum Promoter’s contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
33 (1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible.	The minimum Promoter’s contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
33 (1) (d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter’s contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>

**Details of Promoters’ Contribution Locked-in for One Year**

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 81,18,000 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.



The Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable 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.

**Other requirements in respect of lock-in:**

- a) In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- b) In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
- c) Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.



## 12. Shareholding Pattern of the Company

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Red Herring Prospectus:

### I - Our Shareholding Pattern:-

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
								No of Voting Rights					Total as a % of (A+B+C)	No.	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class Equity Shares of ₹10/- each^	Class	Total								
<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>	<b>VI</b>	<b>VII = IV+V+VI</b>	<b>VIII</b>	<b>IX</b>			<b>X</b>	<b>XI=VII+X</b>	<b>XII</b>	<b>XIII</b>	<b>XIV</b>			
(A)	Promoters & Promoter Group	7	81,18,000	-	-	81,18,000	100.00	81,18,000		81,18,000	100.00	-	100.00	[●]	-	[●]		
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	[●]	-	-		
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	[●]	-	-		



(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	[•]	-	-
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	[•]	-	-
	<b>Total</b>	<b>7</b>	<b>81,18,000</b>	<b>-</b>	<b>-</b>	<b>81,18,000</b>	<b>100.00</b>	<b>81,18,000</b>	<b>-</b>	<b>81,18,000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	[•]	-	[•]

\*As on date of this draft red herring prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of Rs. 10/- each.

We will enter into tripartite agreement with CDSL & NSDL before filing red herring prospectus.

Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, 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.



**II - Shareholding pattern of the Promoters and Promoter Group**

S.No	Category & Name of the Shareholders	PAN	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) as a % of A+B+C2	Number of Locked in shares		Number of Shares pledged or otherwise		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
									Class Equity Shares of Rs. 10/- each	Class Y	Total								
	I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI = VII+X	XII	XIII	XIV		
(1)	Indian																		
(a)	Individuals Hindu undivided Family		6	67,18,000	-	-	67,18,000	82.75	67,18,000	-	67,18,000	82.75	-	82.75	[•]	-	[•]		
	Mr. Umesh Dhirajlal Nandani	AAWPN0891J	1	9,13,120	-	-	9,13,120	11.25	9,13,120	-	9,13,120	11.25	-	11.25	[•]	-	[•]		
	Mr. Darshil Umesh Nandani	AQAPN9199D	1	13,43,600	-	-	13,43,600	16.55	13,43,600	-	13,43,600	16.55	-	16.55	[•]	-	[•]		



	Mr. Deven Dipesh Nandani	AZXP3530A	1	26,87,200	-	-	26,87,200	33.10	26,87,200	-	26,87,200	33.10		33.10	[•]	-	[•]
	Mr. Parin Umeshbhai Nandani	AIBPN6818J	1	13,42,280	-	-	13,42,280	16.53	13,42,280	-	13,42,280	16.53		16.53	[•]	-	[•]
	Mrs. Nehaben Umesh Nandani	AAWPN9868P	1	4,30,480	-	-	4,30,480	5.30	4,30,480	-	4,30,480	5.30		5.30	[•]	-	[•]
	Mrs. Poojaben Parinbhai Nandani	AOJPT6052N	1	1,320	-	-	1,320	0.02	1,320	-	1,320	0.02		0.02	[•]	-	[•]
(b)	Central Governmen t/ State Governmen t(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (Incorporate d Company )	AAECP4159L	1	14,00,000	-	-	14,00,000	17.25	14,00,000	-	14,00,000	17.25	-	17.25	[•]	-	[•]
	P.P. Furniture Private Limited	AAECP4159L	1	14,00,000	-	-	14,00,000	17.25	14,00,000	-	14,00,000	17.25	-	17.25	[•]	-	[•]
	<b>Sub-Total (A)(1)</b>	-	<b>7</b>	<b>81,18,000</b>	-	-	<b>81,18,000</b>	<b>100.00</b>	-	-	-	<b>100.00</b>		<b>100.00</b>	[•]	-	[•]
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



	(Non-Resident Individuals/ Foreign Individuals)																
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	-	7	81,18,000	-	-	81,18,000	100.00	-	-	-	100.00	100.00	[•]	-	[•]	

\*As on date of this draft red herring prospectus 1 Equity share holds 1 vote.

**III - Shareholding pattern of the Public shareholder**

Sr.No.	Category & Name of the Shareholders	PAN	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % (calculated as per SCRR, 1957)  As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total shares held (b)	No. (not applicable) (a)	As a % of total shares held (not applicable) (b)	
									Class Equity Shares of Rs. 10/- each	CI	Total								
	I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI= VII+ X	XII	XIII	XIV		
(1)	<b>Institutions</b>																		
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(f)	Financial Institutions/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	



	Banks																
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	<b>Central Government/ State Government(s) / President of India</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	<b>Non-institutions</b>																
(a)	Individuals																
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ii. Individual shareholders holding nominal share capital in		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	excess of Rs. 2 lakhs.																
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other Body Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(3)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



**IV - Shareholding pattern of the Non Promoter- Non Public shareholder**

S.No.	Category & Name of the Shareholders	PAN	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957)  As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in Share dematerialized form (Not applicable)
									No of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total Shares held	No. (not applicable)	As a % of total shares held (not applicable)	
									Class Equity Shares of ₹10/- each	Class Y	Total								
	I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI= VII+ X	XII	XIII	XIV		
(1)	Custodian/DR Holder																		
(a)	Name of DR Holder (if available)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Sub Total (c ) (1)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

	<b>Sub Total (C ) (2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Non-Promoter Non-Public shareholding (C )= (C )(1)+ (C ) (2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-





**13. The Top Ten Shareholders of our Company and their Shareholding is set forth below:-**

As on date of this Draft Red Herring Prospectus, our Company has 7 (Seven) shareholders.

- a) Particulars of the top ten shareholders as on the date of filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Names of Shareholder	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Capital (In Shares)
1.	Mr. Deven Dipesh Nandani	26,87,200	33.10
2.	P.P. Furniture Private Limited	14,00,000	17.25
3.	Mr. Darshil Umesh Nandani	13,43,600	16.55
4.	Mr. Parin Umeshbhai Nandani	13,42,280	16.53
5.	Mr. Umesh Dhirajlal Nandani	9,13,120	11.25
6.	Mrs. Nehaben Umesh Nandani	4,30,480	5.30
7.	Mrs. Poojaben Parinbhai Nandani	1,320	0.02
	<b>Total</b>	<b>81,18,000</b>	<b>100.00</b>

- b) Particulars of the top ten shareholders ten days prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Names of Shareholder	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Capital (In Shares)
1.	Mr. Deven Dipesh Nandani	26,87,200	33.10
2.	Mr. Darsil Umesh Nandani	13,43,600	16.55
3.	Mr. Parin Umeshbhai Nandani	13,42,280	16.53
4.	PP Furniture Private Limited	14,00,000	17.25
5.	Mr. Umesh Dhirajlal Nandani	9,13,120	11.25
6.	Mrs. Nehaben Umesh Nandani	4,30,480	5.30
7.	Mrs. Poojaben Parinbhai Nandani	1,320	0.02
	<b>Total</b>	<b>81,18,000</b>	<b>100.00</b>

- c) Particulars of the top ten shareholders two years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Names of Shareholder	Shares Held ( Face Value of Rs. 10/- each)**	% of Paid Up Equity Shares as on date 2 years prior to the date of filing of this Draft Red Herring Prospectus*
1.	Mr. Deven Dipesh Nandani	1,45,000	48.33
2.	Umesh Dhirajlal Nandani HUF	1,10,000	36.67
3.	Mr. Darshil Umesh Nandani	25,000	8.33
4.	Mr. Umesh Dhirajlal Nandani	10,010	3.34
5.	Mr. Bindesh Dhirajlal Nandani	9966	3.32

\*Details of shares held on May 14, 2016 and percentage held has been calculated based on the paid up capital of our Company as on May 14, 2016

\*\*Other 24 shareholders were holding 1 share each i.e. 24 shares totaling to 3,00,000 shares.

14. None of our public shareholders are holding more than 1% of the pre-issue share capital of our Company.
15. Except as provided below no subscription to or sale or purchase of the securities of our Company was made within three years preceding the date of filing of this Draft Red Herring Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre-Issue share capital of our Company.



Date of Allotment	Name of Shareholders	No. of Equity Shares allotted	% of Pre-Issue Capital	Subscribed/Aquired/Transfer	Category of Allottees (Promoter/Promoter Group/Director)
August 09, 2016	Mr. Deven Dipesh Nandani	1,20,000	1.48	Acquisition by way of transmission	Promoter and Director
June 01, 2017	Mr. Parin Umesh Nandani	1,09,600	1.35	Acquisition by way of further Allotment	Promoter and Director
March 17, 2018	Mr. Umesh Dhirajlal Nandani	2,00,000	2.46	Bonus Issue	Promoter and Director
March 17, 2018	Mr. Darshil Umeshbhai Nandani	2,50,000	3.08	Bonus Issue	Promoter Group
March 17, 2018	Mr. Deven Dipesh Nandani	21,90,000	26.98	Bonus Issue	Promoter and Director
March 17, 2018	Mr. Parin Umeshbhai Nandani	10,95,000	13.49	Bonus Issue	Promoter and Director
March 17, 2018	Mrs. Nehaben Umeshbhai Nandani	1,64,000	2.02	Bonus Issue	Promoter Group
March 24, 2018	Mr. Deven Dipesh Nandani	4,81,800	5.93	Bonus Issue	Promoter and Director
March 24, 2018	Mr. Parin Umeshbhai Nandani	2,40,900	2.97	Bonus Issue	Promoter and Director
March 29, 2018	Mr. Umesh Dhirajlal Nandani	118,000	1.45	Acquisition by way of further allotment	Promoter and Director
March 29, 2018	P.P. Furniture Private Limited	14,00,000	17.25	Acquisition by way of further allotment	Promoter Group
March 31, 2018	Mr. Umesh Dhirajlal Nandani	5,31,120	5.15	Acquisition by way of HUF Dissolution and Gift	Promoter and Director
March 31, 2018	Mr. Darshil Umeshbhai Nandani	10,13,600	6.54	Acquisition by way of HUF Dissolution and Gift	Promoter Group
March 31, 2018	Mrs. Nehaben Umeshbhai Nandani	2,14,000	2.64	Acquisition by way of HUF Dissolution	Promoter Group
March 31, 2018	Mr. Deven Dipesh Nandani	(2,03,600)	2.51	Shares Transfer by way of Gift	Promoter and Director
March 31, 2018	Mr. Parin Umeshbhai Nandani	2,14,000	2.64	Acquisition by way of HUF Dissolution	Promoter and Director
March 31, 2018	Mr. Parin Umeshbhai Nandani	(3,17,120)	3.91	Shares Transfer by way of Gift	Promoter and Director

None of our Directors or Key Managerial Personnel holds any Equity Shares other than as set out below as on date of this Draft Red Herring Prospectus:

Sr. No.	Name	Designation	No. of Equity Shares held
1.	Mr. Umesh Dhirajlal Nandani	Chairman & Managing Director	9,13,120
2.	Mr. Deven Dipesh Nandani	Director	26,87,200
3.	Mr. Parin Umeshbhai Nandani	Director	13,42,280



16. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
17. Neither, we nor our Promoters, Directors and the BRLM to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
18. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
19. As on the date of this Draft Red Herring Prospectus, the entire Issued, Subscribed and Paid-up Share Capital of our Company is fully paid up.
20. Our Company has not raised any bridge loan against the proceeds of the Issue.
21. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid up equity shares
22. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
23. The BRLM i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus.
24. Other than the Issue and Pre-IPO Placement, there will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with Stock Exchange until the Equity Shares have been listed on the Stock Exchange.
25. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.
26. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
27. 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 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.



28. Allocation to all categories, except Retail Category, shall be made on a proportionate basis subject to valid applications received at or above the Issue Price. The allocation to Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to the availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any shall be allocated on a proportionate basis. Under subscription, if any, in any of category except QIB Category, 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 BRLM and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
29. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 43 (2) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time.
30. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
31. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
32. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
34. As on the date of this Draft Red Herring Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
35. There are no Equity Shares against which depository receipts have been issued.
36. Other than the Equity Shares, there is no other class of securities issued by our Company.
37. We have 7 (Seven) shareholders as on the date of filing of this Draft Red Herring Prospectus.
38. There are no safety net arrangements for this public issue.
39. As per RBI regulations, OCB's are not allowed to participate in this issue.
40. Our Promoters and Promoter Group will not participate in this Issue.
41. This Issue is being made through Book Building method.
42. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
43. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) 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, 2009, as amended from time to time.



44. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
  
45. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Bid/Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.



### OBJECTS OF THE ISSUE

The Issue of upto 38,00,000 Equity Shares of our Company at an Issue Price of [●] per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects:-

1. Repayment of certain Secured Borrowing availed by our Company
2. Funding the Working Capital Requirements of the Company
3. General Corporate Expenses
4. Issue Expenses

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of NSE (“NSE EMERGE”). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association (*Collectively referred as the “objects”*).

#### **Requirement of Funds:-**

The following table summarizes the requirement of funds:

Sr.No.	Particulars	Amt (Rs.in Lakhs)
1.	Repayment of Certain Secured Borrowing availed by our Company	900.00
2.	Funding the Working Capital Requirements of the Company	[●]
3.	To meet General Corporate Expenses	[●]
4.	To meet Issue Expenses	[●]
	<b>Gross Issue Proceeds</b>	[●]
	<b>Less: Issue Expenses</b>	[●]
	<b>Net Issue Proceeds</b>	[●]

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans 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 in other financial conditions, business strategy, as discussed further below.

**Utilization of Net Issue Proceeds:** The Net Issue Proceeds will be utilized for following purpose:

Sr. No.	Particulars	Amt (Rs. in Lakhs)
1.	Repayment of Certain Secured Borrowing availed by our Company	900.00
2.	Funding the Working Capital Requirements of the Company	[●]
3.	To meet General Corporate Expenses	[●]
	<b>Total</b>	[●]

**Means of Finance:** - We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amt (Rs. in Lakhs)
Net Issue Proceeds	[●]



<b>Total</b>	[●]
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*Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue or existing identifiable accruals.*

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company’s historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various 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 purpose at the discretion of the Company’s management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled **“Risk Factors”** beginning on page 20.

**Details of Use of Issue Proceeds:**

**1. Funding the Working Capital Requirements of the Company**

Our business is working capital intensive as the major capital is invested in inventories and trade receivables. The Company will meet the requirement to the extent of Rs. [●] from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

(Rs. In Lakhs)

Sr. No.	Particulars	Actual (Restated)	Actual (Restated)	Estimated
		31-March-17	31-March-18	31- March-19
<b>I</b>	<b>Current Assets</b>			
	Inventories	2,000.28	1,863.11	[●]
	Trade receivables	1,783.43	1,722.78	[●]
	Cash and cash equivalents	166.57	232.75	[●]
	Short Term Loans and Advances	105.91	155.51	[●]
	Other Current Assets	-	-	[●]
	<b>Total(A)</b>	<b>4056.18</b>	<b>3974.15</b>	[●]
<b>II</b>	<b>Current Liabilities</b>			





	Trade payables	570.16	493.82	[●]
	Other Current Liabilities	96.44	93.57	[●]
	Short Term Provisions	123.84	156.89	[●]
	<b>Total (B)</b>	<b>790.44</b>	<b>744.28</b>	[●]
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>3265.75</b>	<b>3229.87</b>	[●]
<b>IV</b>	<b>Funding Pattern</b>			
	Short term borrowing & Internal Accruals	3265.75	3229.87	[●]
	IPO Proceeds			[●]

**Justification:**

Sr. No.	Particulars
<b>Debtors</b>	Trade receivables are based on the average standard payment terms across our customers. Our general credit terms vary across geographies and type of customer and our assumptions are based on past trends. Our trade receivables turnover ratio based on the Restated Standalone Financial Statements (calculated as closing trade receivables divided by revenues from operations over the period/fiscal) was 111 days and 98 days for Fiscal 2017 and 2018 respectively. Our Company has assumed trade receivables turnover ratio as [●] days for Fiscal 2019.
<b>Creditors</b>	This is based on the average standard payment terms of our vendors. Our trade payables predominantly comprise of payables towards purchase of products. The days of outstanding for trade payables are based on the Restated Standalone Financial Statements (calculated as trade payables divided by Purchase over the period/fiscal) was 50 days and 39 days for Fiscal 2017 and 2018 respectively. Our Company has assumed trade payables turnover ratio as [●] days for Fiscal 2019.
<b>Inventories</b>	Inventories are expected to grow along with the growth in our business, on an absolute value basis. The days of Inventory are based on the Restated Standalone Financial Statements (calculated as closing Inventory divided by revenues from operations over the period/fiscal) was 125 days and 106 days for Fiscal 2017 and 2018 respectively. Our Company has assumed inventory turnover ratio as [●] days and [●] days for Fiscal 2019.

**2. Repayment of Certain Secured Borrowing availed by our Company**

Our business is capital intensive and we avail majority of our fund requirements in the ordinary course of business from various banks, financial institutions and unsecured loans from related parties. For further details of the loan availed by our Company, please refer chapter titled “Financial Indebtedness” on page 302.

As on March 31, 2018 with respect to the loan proposed to be repaid from Net Proceeds, our Company had outstanding secured borrowings amounting to Rs. 961.01 Lakhs as confirmed by M/s Bhavin Associates, Chartered Accountants dated May 14, 2018. Of the said borrowings, we propose to repay Rs. 900.00 Lakhs details as depicted below.

Following are the details of Loan availed by our Company, which we intend to repay out of the Issue Proceeds:

Name of the Lender	Outstanding as on March 31, 2018	Nature of Facility	Rate of Interest (p.a.)	Repayment Schedule	Repayment from the Net Proceeds
Capital First Ltd	280.16	Business Loan	10.80% p.a.	180 EMIs	255.00



		(Loan against Property)	(Floating ROI)	of Rs. 3,29,915 each starting from 5 <sup>th</sup> Dec, 2016	
ICICI Bank Ltd	335.42	Business Loan (Loan against Property)	I-MCLR 1 Yr 8.30% + Spread @ 0.70% i.e. Effective Interest Rate 9.00% p.a.	180 EMIs of Rs. 3,39,780 each starting from April 2018	320.00
ICICI Bank Ltd	345.43	Business Loan (Loan against Property)	MCLR 8.30% + spread @0.70% i.e. Effective Interest 9.00% p.a.	180 EMIs of Rs. 3,49,922 each starting from April 2018	325.00
<b>Total</b>	<b>961.01</b>				<b>900.00</b>

### 3. General Corporate Purposes

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating Rs. [●] towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

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

### 4. Public Issue Expenses:-

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately Rs. [●] which is [●] % of the Issue Size.

All the Issue related expenses and the break-up of the same is as follows:

Activity	(Rs .in Lakhs)*
Payment to Merchant Banker including underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, etc*	[●]



Payment to Advisor to Issue	[●]
Printing and Stationery and postage expenses	[●]
Advertising and Marketing expenses	[●]
Statutory expenses	[●]
<b>Total Estimated Issue Expenses</b>	<b>[●]</b>

*\*Included Commission/ processing fees for SCSB, Brokerage and selling commission for Registered Brokers, RTA's and CDPs*

**Proposed Schedule of Implementation:**

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(Rs. in Lakhs)

Sr. No.	Particulars	Amount to be deployed and utilized in
		F.Y. 2018-19
1.	Repayment of certain Secured Borrowing availed by our Company	900.00
1.	Funding the Working Capital Requirements of the Company	[●]
3.	To meet General Corporate Expenses	[●]
	<b>Total</b>	<b>[●]</b>

**Funds Deployed and Source of Funds Deployed:**

M/s Bhavin Associates, Chartered Accountants vide their certificate dated May 14, 2018 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (Rs. in Lakh)
Issue Expenses	5.00
<b>Total</b>	<b>5.00</b>

**Sources of Financing for the Funds Deployed:**

M/s Bhavin Associates, Chartered Accountants vide their certificate dated May 14, 2018 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (Rs. in Lakh)
Internal Accruals	5.00
<b>Total</b>	<b>5.00</b>

**Appraisal**

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



### **Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

### **Bridge Financing Facilities**

As on the date of the Draft Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

### **Monitoring Utilization of Funds**

The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 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 the Draft Red Herring 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 of funds utilized will be certified by the Statutory Auditors of our Company.

### **Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

### **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 as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

### **Other confirmations**

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Companies, in relation to the utilization of the Net Proceeds.



## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager on the basis of an assessment of market demand for the Equity Shares through the ‘Book Building Process’ and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is Rs.10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Bidders should also refer to the sections titled “Our Business”, “Risk Factors” and “Financial Statements” on pages 117, 20 and 187, respectively, to have an informed view before making an investment decision

### Qualitative Factors

- Unique Brand Positioning
- Wide Spread Network
- Integrated Manufacturing Facility of our Subsidiary Company
- Experienced Promoters, professional management and skilled work-force
- Strong & Long term relationship with our Clients

For further details, see “*Our Business*” and “*Risk Factors*” on pages 117 and 20 respectively.

### Quantitative Factors

Some of the information presented below relating to our Company is based on the Restated Consolidated Summary Statements and Restated Standalone Summary Statements of our Company.

For details, see section “*Financial Statements*” on page 187.

#### 1. Basic & Diluted Earnings per share (EPS), as adjusted for changes in capital:

As per our Restated Standalone Financial Information:

Year ended	Basic & Diluted (Rs.)	Weights
March 31, 2016	2.56	1
March 31, 2017	3.42	2
March 31, 2018	3.98	3
<b>Weighted Average</b>	3.57	

As per Restated Consolidated Financial Information:

Year ended	Basic & Diluted (Rs.)
March 31, 2018	6.33

Notes:

- (i) *Earnings per share calculations are done in accordance with Accounting Standard 20 Earnings Per Share ('AS 20'), notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.*
- (ii) *The face value of each Equity Share is Rs. 10/- each.*
- (iii) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights.*
- (iv) *Basic Earnings per Share (in Rupees) = Net profit as restated, attributable to equity*



shareholders/weighted average number of equity shares

- (v) *Diluted Earnings per share (in Rupees) = Net profit as restated, attributable to equity shareholders/weighted average number of dilutive equity shares.*
- (vi) *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Summary Statements as appearing in Annexure IV included in "Financial Statement" on page 187.*

**2. Price Earning (P/E) Ratio in relation to the Issue Price of Rs. [●]**

No	Particulars	(P/E) Ratio
1.	Based on basic EPS for the financial year ended March 31, 2018 on a standalone basis	[●]
2.	Based on basic EPS for the financial year ended March 31, 2018 on a consolidated basis	[●]
3.	Based on diluted EPS for the financial year ended March 31, 2018 on a standalone basis	[●]
4.	Based on diluted EPS for the financial year ended March 31, 2018 on a consolidated basis	[●]

Industry P/E ratio

Sr. No	Particulars	P/E
1	Highest	2111
2	Lowest	0
3	Industry Average	33.11

Source: Ace Equity data dated May 17, 2018

**3. Return on Net worth (RoNW)**

As per our Restated Standalone Financial Information:

Year ended	RONW (%)	Weights
Year ended March 31, 2016	23.69	1
Year ended March 31, 2017	24.00	2
Year ended March 31, 2018	16.92	3
<b>Weighted Average</b>	20.41	

As per Restated Consolidated Financial Information of the Company:

Year ended	RONW (%)
Year ended March 31, 2018	25.02

Note:

- i. Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year / Total of weights
- ii. RoNW (%) = Net profit/(loss) after tax , as restated divided by Net worth at the end of the year/ period



#### 4. Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS

a) For Basic EPS

As at	Standalone (%)	Consolidated (%)
At the Floor Price	[•]	[•]
At the Cap Price	[•]	[•]

b) For Diluted EPS

As at	Standalone (%)	Consolidated (%)
At the Floor Price	[•]	[•]
At the Cap Price	[•]	[•]

#### 5. Net Asset Value (“NAV”) per Equity Share of face value of Rs. 10 each (Adjusted for Bonus Issue)

As per our Restated Standalone Financial Information:

As at	Amount in (Rs.)
March 31, 2016	10.83
March 31, 2017	14.26
March 31, 2018	19.06
NAV after Issue	[•]
At the Floor Price	[•]
At the Cap Price	[•]
<b>Issue Price</b>	[•]

As per our Restated Consolidated Financial Information:

As at	Amount in (Rs.)
March 31, 2018	20.52
NAV after Issue	[•]
At the Floor Price	[•]
At the Cap Price	[•]
<b>Issue Price</b>	[•]

#### 6. Comparison of Accounting Ratios with Industry Peers \*

Currently there are no listed companies in the peer group company which are strictly comparable to us with respect to the industry in which we operate and the size of our Company.

Name of Company	Face Value (Rs.)	EPS (Rs.)	PE	RoNW (%)	NAV per Share (Rs.)
Parin Furniture Limited	10.00	6.33	[•]	25.02	25.02
Nilkamal Limited**	10.00	82.11	20.47	17.40	497.19

\*Source: Ace Equity data dated May 17, 2018

\*\*Based on Restated Consolidated Financial Statements as on and for period ended March 31, 2017.





The Issue Price of Rs. [●] has been determined by our Company and Selling Shareholders, in consultation with the Book Running Lead Manager on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company and Book Running Lead Manager believe that the issue price of Rs. [●] is justified in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with "*Our Business*", "*Risk Factors*" and "*Financial Information*" on pages 117, 20 and 187, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "*Risk Factors*" or any other factors that may arise in the future and you may lose all or part of your investments.



## **STATEMENT OF TAX BENEFITS**

**To,  
The Board of Directors,  
Parin Furniture Limited  
Plot No. 6, Revenue Survey No. 149,  
National Highway at Vavdi, Gondal Road,  
Rajkot - Gujarat - 360004, India**

Dear Sirs,

**Sub: Statement of Possible Tax Benefits ('The Statement') available to Parin Furniture Limited ("The Company") and its shareholders prepared in accordance with the requirement in Schedule VIII- Clause (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended ("The Regulation")**

We hereby report that the enclosed annexure prepared by Parin Furniture Limited, states the possible special tax benefits available to Parin Furniture Limited ("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 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 do not cover any general tax benefits available to the Company. Further, these benefits are not exhaustive and the preparation of enclosed statement and the contents stated therein 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 is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and 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 proposed initial public offering of equity shares ("the Issue") by the Company.

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

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

The contents of the enclosed statement 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. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, 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. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For, Bhavin Associates  
Chartered Accountants  
FRN 101383W**

**Sd/-  
(CA. Bhavin P. Bhansali)  
Partner  
M. No. 043796  
Place: Rajkot  
Date: May 14, 2018**



## **ANNEXURE TO THE STATEMENT OF TAX BENEFITS**

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

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

<b>A. SPECIAL TAX BENEFITS TO THE COMPANY</b>	<b>NIL</b>
<b>B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER</b>	<b>NIL</b>

Note:

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.
3. 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.



## SECTION IV: ABOUT THE COMPANY

### INDUSTRY OVERVIEW

#### Global Economic Outlook

World growth strengthened in 2017 to 3.8 percent, with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States. The partial recovery in commodity prices should allow conditions in commodity exporters to gradually improve.

Over the medium term, global growth is projected to decline to about 3.7 percent. Once the cyclical upswing and US fiscal stimulus have run their course, prospects for advanced economies remain subdued, given their slow potential growth. In emerging market and developing economies, in contrast, growth will remain close to its 2018–19 level as the gradual recovery in commodity exporters and a projected increase in India's growth provide some offset to China's gradual slowdown and emerging Europe's return to its lower-trend growth rate. Nevertheless, 40 emerging market and developing economies are projected to grow more slowly in per capita terms than advanced economies, failing to narrow income gaps vis-à-vis the group of more prosperous countries.

Despite strong aggregate figures in the baseline forecast and buoyant market sentiment, the current momentum is not assured. Upside and downside risks are broadly balanced over the next several quarters, but risks farther down the road are skewed to the downside. With still-easy financial conditions and persistently low inflation that has required protracted monetary policy accommodation, a potential further buildup of financial vulnerabilities could give way to rapid tightening of global financial conditions, denting confidence and growth. The support to growth that comes from procyclical policies, including in the United States, will eventually need to be reversed. Other risks include a shift toward inward-looking policies that harm international trade and a worsening of geopolitical tensions and strife.

The current favorable juncture offers a window to enact policies and reforms that protect the upswing and raise medium-term growth to the benefit of all—strengthening the potential for higher and more inclusive growth, building buffers that will help deal more effectively with the next downturn, improving financial resilience to contain financial market risks, and fostering international cooperation.

At 3.8 percent, global growth last year was ½ percentage point faster than in 2016 and the strongest since 2011. Two-thirds of countries accounting for about three-fourths of global output experienced faster growth in 2017 than in the previous year (the highest share of countries experiencing a year-over-year growth pickup since 2010). The preliminary outcome for global growth in 2017 was 0.2 percentage point stronger than forecast in the October 2017 World Economic Outlook (WEO), with upside surprises in the second half of 2017 in advanced as well as emerging market and developing economies. Resurgent investment spending in advanced economies and an end to the investment decline in some commodity-exporting emerging market and developing economies were important drivers of the uptick in global GDP growth and manufacturing activity.

Across advanced economies, the 0.6 percentage point pickup in 2017 growth relative to 2016 is explained almost entirely by investment spending, which remained weak since the 2008–09 global financial crisis and was particularly subdued in 2016. Both stronger gross fixed capital formation and an acceleration in stock building contributed to the pickup in investment, with accommodative monetary policy, stronger balance sheets, and an improved outlook helping release pent-up demand for capital goods.



Across emerging market and developing economies, the 0.4 percentage point pickup in 2017 growth came primarily from an acceleration in private consumption. But the picture is mixed within the group. Growth in China and India last year was supported by resurgent net exports and strong private consumption, respectively, while investment growth slowed. An end to fixed investment contractions in commodity-exporting countries that were severely affected by the commodity price downturn during 2015–16 (notably Brazil and Russia, but also Angola, Ecuador, and Nigeria) instead played an important role in their growth pickup in 2017. Higher fixed investment growth (2.3 percentage points above its 2016 level) also supported the growth performance of other emerging market and developing economies, alongside stronger private consumption.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018>

### **World Bank Forecasts for India**

The World Bank forecast a growth rate for India 7.5 per cent for 2019 and 2020, and noted that the country's economy has recovered from the effects of demonetisation and the Goods and Services Tax.

"Growth is expected to accelerate from 6.7 in 2017 to 7.3 per cent in 2018 and to subsequently stabilise supported by a sustained recovery in private investment and private consumption," the World Bank said in its twice-a-year South Asia Economic Focus.

In its report the World Bank said, India should strive to accelerate investments and exports to take advantage of the recovery in global growth.

"Every month, the work force increases by 1.3 million people and India must create 8.1 million jobs a year to maintain its employment rate, which has been declining based on employment data analysed from 2005 to 2015, largely due to women leaving the job market," the bank said.

In the India section of the report, the bank acknowledged that disruptions from demonetisation and events surrounding the implementation of GST led to a setback in economic activity and a potentially larger negative effect on the poor and vulnerable.

Looking ahead, return to business as usual and subsequent rebalancing of growth drivers towards investment could support acceleration of GDP growth to 7.4 per cent by FY 2019, it said.

As in the past, sustained growth is expected to translate to continued poverty reduction, albeit with heightened uncertainty because of the effects on the informal economy, it said.

Noting that the one-time policy events disruptions from demonetisation and uncertainty surrounding GST slowed India's economic momentum in FY2016, the IMF said real GDP growth slowed to 7.1 per cent in FY2016, from 8 per cent in FY15/16, and further to 5.7 per cent in Q1 FY2017.

On the one hand, public and private consumption gained pace: first after implementation of the 7th central pay commission recommendations, and secondly due to the revival in rural demand after normal monsoon and agricultural impetus. Overall demand slowed as public investments started to wane.

Excluding agriculture, output growth experienced a slowdown decelerating to 6.9 per cent in FY2016, from 9.4 per cent in the previous year, it said.

According to the World Bank, the most substantial medium-term risks are associated with private investment recovery, which continues to face several domestic impediments such as corporate debt overhang, regulatory and policy challenges, along with the risk of an imminent increase in US interest rates.

If the internal bottlenecks are not alleviated, subdued private investment would put downside pressures on India's potential growth, it said.



Downside risks to the global economy and accordingly to export growth and capital flows are also substantial given the possibility of monetary policy normalisation in the US and risks of protectionism, the World Bank said.

Source:<https://www.ibef.org/research/reports/world-bank-forecasts-7-3-pc-growth-for-india-this-year>

### **Indian Economy Growth**

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.

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.

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.

#### ***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.



- 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 bank recapitalisation plan by Government of India is expected to push credit growth in the country to 15 per cent.
- 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).
- 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.
- 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.

### ***Government Initiatives***

The Union Budget for 2018-19 of, Government of India 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, 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).





- 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
- The Government of India has decided to invest Rs 2.11 trillion (US\$ 32.9 billion) to recapitalize 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
- 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.

Exchange Rate Used: INR 1 = US\$ 0.0153 as on March 29, 2018

Source: <https://www.ibef.org/economy/indian-economy-overview>

### **Indian Furniture Industry**

The Country's furniture market is projected to cross USD32 billion by 2019. The country's furniture market is expected to grow at a rapid pace due to rising disposable income, expanding middle class and growing number of urban households. In addition, the anticipated rise in tourism and hospitality sectors is also expected to spur the furniture demand in the country through 2019. Western and Southern region would continue to be the leading revenue generators due to expanding distribution network of furniture manufacturers in these regions. Uttar Pradesh, Kerala, Punjab, West Bengal and Andhra Pradesh are the major suppliers of wood, which is the most widely used raw material in the country's furniture market.

Wooden furniture is expected to continue its dominance in the Indian furniture market. Home furniture market is expected to witness fastest growth over the next five years, followed by office and institutional segments. Major organized players such as Godrej Interio, Durian, Wipro, Evok and Nilkamal are expected to outperform during the next five years due to their diverse product range, expanding distribution network and exclusive outlets. The market is also witnessing a growing trend, wherein, an increasing number of domestic manufacturers are entering into tie ups with foreign manufacturers in order to improve product design and quality

With growing employment opportunities, purchasing power of the Indian consumers is increasing, which is consequently expected to continue and boost the demand for designer as well as standardized furniture in the country over the next five years.

Godrej Interio, Nilkamal, Featherlite, and Durian are currently the leading companies in the Indian furniture market. However, several new entrants are expected to foray into this market due to low entry barriers.

Moreover, the popularity of traditional furniture has strengthened the demand for wood in the manufacturing of furniture in India. Over the past few years, the utilization of wooden goods in home has increased as people



have started using wood for furnishing cupboards, decorating and for other purposes. Apart from this, the demand for engineered wood furniture is rising in metro cities such as Delhi, Mumbai, Bangalore and other major cities. The reason behind this is the rising popularity of ready to assemble home furniture in these cities. The availability of engineered wood furniture through various distribution channels provides ease to the customer to buy furniture products. Moreover, the demand for modular and elegant furniture is growing in urban cities of India. The development in housing sector and rapid growth of metro cities is changing the living standards and lifestyle of the population. The rising trend of home décor and home furnishing with modular and stylish furniture is the major reason behind the growth of furniture industry in India.

### **Market Size and Forecast**

The market is expected to expand at a CAGR of 12.91% during the forecast period of 2016-2023. India furniture market growth is driven by various attributes such as rising trend for modular and state of the art furniture among the population living in urban cities, growing urbanization in Indian states, rising demand for durable and hybrid seating furniture. Moreover, the rising growth of wood industry in India further compensates the price of furniture. On the back of these factors the furniture industry is expected to propel in India. Further, the rising trend of online and mobile shopping in India is envisioned to bolster the demand for furniture through online channels. Various furniture companies such as Pepperfry, Urban ladder and others are creating huge demand from these online channels. Apart from this, the demand for low cost plastic furniture is also increasing in commercial sector. The ease of business doing policies in India gives rise to new businesses across the country. In addition, these increasing numbers of small and medium businesses further boost the demand for low cost plastic furniture products. This factor is believed to foster the growth of India furniture market over the forecast period.

### **Market Segmentation**

The Indian furniture market includes the following segments:

#### **By Material Type**

- Wood
- Engineered wood
- Natural wood
- Metal
- Leather
- Plastic
- Thermoplastic
- Thermosets
- Glass

#### **By Application**

- Residential
- Commercial

### **Growth Drivers and Challenges**

Rapid urbanization in India and growing demand for modular and compact furniture is expected to positively impact the growth of furniture market in near future. Further, growing urbanization in Indian states such as Gujarat, Maharashtra, Tamil Nadu and others is supporting the culture of housing societies. Moreover, the corporate sector in India is uplifting on the back of ease of doing business reforms introduced by the government. These factors are believed to bolster the growth of India furniture market.



Further, growth of real estate sector in India is anticipated to boost the demand for modular furniture in urban areas in India. Apart from this, rising investment in retail sector by various national and international entities is anticipated to foster the growth of furniture market in India. Moreover, the technological advancements such as availability of high speed internet networks such as 4G and spiked absorption of smart gadgets is boosting the e-retail sector in India. These advancements further provide ease to the customers to buy furniture through online channels. In addition, the rising number of smartphone users across the country and online shopping is encouraging the furniture industry players to introduce their products through online channels. The players such as Pepperfry, Urban ladder and others are generating significant revenue through online platforms.

Apart from this, 100 percent FDI policy for townships and settlements development project is attracting more foreign investors in the real estate sector which increase the quality of residential apartments. Further, rising demand for high-end and western style furniture is envisioned to bolster the growth of India furniture market by the end of 2024.

However, the low cost furniture products offering by unorganized players further decrease the revenues of major market players in India. Further, the unorganized players sell their product through local shops which decreases the cost of branded furniture. The high cost of quality and durable furniture in India is the major restraint for furniture industry. The high cost of wood and leather further increase the cost of overall furniture product.

Source: <https://www.researchnester.com/reports/india-furniture-market-analysis-opportunity-outlook-2023/331> and <https://www.techsciresearch.com/news/218-india-furniture-market-to-surpass-usd32-billion-by-2019.html>

## **Government Initiatives**

### **1. Skill India**

India is the second most populous country in the world. The population of India is over 1.28 billion which is more than a sixth of the world's population. Around 66 percent of Indian population will be in working age group by 2022. The young country will enjoy a good economic status if it can provide a decent livelihood to its youth. Making the youth an asset or liability solely depends upon the India's policies and its implementation.

Understanding the need of the giving a better livelihood by skilling the youth, Indian has always given emphasis to education and vocational training. Even our Government has formed a dedicated Ministry named Ministry of Skill Development and Entrepreneurship to upscale the skill development training in our country. The Ministry was set up in November 2014 to drive the "Skill India" agenda in a Mission Mode to converge existing skill training initiatives and combine scale and quality of skilling efforts, with speed. The National Skill Development Mission was launched by the Ministry which seeks to skill a minimum 500 million people by the year 2022. National Skill Development Corporation (NSDC) is also one of the public private partnership initiative of Government which is mandated to skill 150 million Indians by 2022. There are 40 Sector Skill Councils and 206 Training Partners with over 2500+ training centres of NSDC spread across 366 districts in the country.

Source: <http://www.modernwoodworkindia.com/products/furniture-fittings-skill-council-bridging-the-skills-gaps-in-indian-furniture-industry/>

### **2. Make in India**

India is on the threshold of major reforms and is poised to become the third-largest economy of the world by 2030. In the words of our Hon'ble Prime Minister, India offers the 3 'Ds' for business to thrive— democracy, demography and demand. Add to that a tech-savvy and educated population, skilled labour, robust legal and IPR regime, and a strong commitment to calibrated liberalization — India is a destination that German investors cannot overlook. India's manufacturing sector has evolved through several phases - from the initial industrialisation and the license raj to liberalisation and the current phase of global competitiveness. Today,



Indian manufacturing companies in several sectors are targeting global markets and are becoming formidable global competitors. Many are already amongst the most competitive in their sectors.

#### **Demographics advantage:**

- The country is expected to rank amongst the world's top three growth economies and amongst the top three manufacturing destinations by 2020.
- Favourable demographic dividends for the next 2-3 decades. Sustained availability of quality workforce.
- Strong consumerism in the domestic market.
- Strong technical and engineering capabilities backed by top-notch scientific and technical institutes.
- The cost of manpower is relatively low as compared to other countries.

#### **Incentives Offered for Manufacturing:**

- **Sector specific initiatives:** The government of India provides sector specific subsidies for promoting manufacturing for example in order to boost manufacturing of electronics, the Govt. of India provides capital subsidy of up to 25% for 10 years.
- **Area based incentives:** Incentives are provided for units in SEZ/NIMZ as specified in respective acts or setting up project in special areas like North East Region, Jammu & Kashmir, and Himachal Pradesh & Uttarakhand.
- Incentives under income tax act.
- **Investment Allowance:** The Government of India in its Union Budget 2014-15, has provided investment allowance at the rate of 15 per cent to a manufacturing company that invests more than US\$ 4.17 million in any year in new plant and machinery.
- **Deductions:** Several additional deductions are provided for instance deduction equal to 30% of additional wages paid to new regular workmen employed by the assessee over and above 50 workmen.
- **R&D Incentives:** Higher weighted deductions of 200% provided for expenditure related to R&D subject to fulfilment of conditions.
- **Export Incentives:** Under the foreign trade policy exports have been provided with several incentives like duty drawback, duty remission schemes etc.
- **State Incentives:** Apart from above each state in India offers additional incentives for industrial projects. Some of the states also have separate policies for textile sector. Incentives are in areas like rebated land cost; relaxation in stamp duty exemption on sale/lease of land; power tariff incentives; concessional rate of interest on loans; investment subsidies / tax incentives; backward areas subsidies; special incentive packages for mega projects.

Source:<http://www.makeinindia.com/article/-/v/direct-foreign-investment-towards-india-s-growth>



## OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “Parin”, “Company” or “we”, “us” or “our” means Parin Furniture Limited.

All financial information included herein is based on our “Financial Information of our Company” included on page 187.

### OVERVIEW

Our Company is a provider of wide and exclusive range of furniture and lifestyle products for several consumers. Our Company is managed by experienced and dedicated promoters to address the changing needs of customers in furniture industry. We are consistent in supplying of quality products round the year as customized products are made available to them as per the market demand.

Our Subsidiary Company namely Pearl Furniture Private Limited has well established manufacturing unit located at Survey No. 26, Shapar Main Road, Village, Shapar, Taluka – Kotada Sangani, Dist – Rajkot-360024, having high tech equipments and design facility to manufacture various combination and size of products as per specification and needs of the customers. It is equipped with all facilities to execute all types of manufacturing activities such as panel cutting, edge bidding, post forming, painting line, fabrication, moulding, cutting and polishing & packaging, etc. The company is using latest machineries & technology and keeps on up-grading its manufacturing set-up, design capabilities and workmanship to deliver superior quality products with on-time deliveries and with emphasis on quality.

Our core purpose is “To serve the world with better lifestyle”. Our business network is spread in 18 States. We have COCO Flagship Retail Stores and around 900 dealers associated with us. We have huge stock keeping facilities having storage area with strong supply chain management. In addition to this, we have created spacious, specially designed showrooms for display of our various products like home furniture, office furniture, hospital furniture, institutional furniture etc.

We consistently introduce new design in our products. We have integrated in-house capabilities to market, distribute and retail our conceptualized furniture. We also have team of experienced, highly professional and skilled manpower. Our Subsidiary has hired an international designer from Turkey who develops new product design. To maintain space and remain competitive in today’s changing market place, we have various business verticals like B2B, Projects – Government & Private, Retail and E-Commerce. Through our subsidiary, we have a complete control over the entire business cycle from manufacturing to consumption, which gives an edge in furniture industry. We also have accounting system for smooth business operations. We follow the regime of honest price policy for our customers.

We understand the customer needs, market trends mapping and provide value for money products. Our diversified product portfolio enables us to cater a wide range of preferences & consumer segment.

Our Company has obtained certifications like ISO- 9001:2015, ISO-14001:2015, ISO-13485:2012, OHSAS 18001:2007 & Assured Green Guard Business. Apart from this, we also have registered membership of BIFMA Certification.



## OUR PRODUCT RANGE

The furniture manufactured by our subsidiary / purchased by us are marketed under brand name 'Parin'. Our product portfolio offers diversified product range which includes variety of furniture like home furniture, office furniture, hospital furniture, institutional furniture and education furniture. Our major range of industry presence and major products within such presence are as under:

### 1. Home Furniture & Decor

The Company provides wide range of Home Furniture such as design bedroom sets, dining sets in metal and wooden, sofa sets, side tables, decor & arti-crafts like vases, wall art & wide range of soft furnishings. The clients can avail stylish and trendy Customized Modular Furniture like dining chair, coffee table etc that are designed and fabricated by skilled and experienced designers. The furniture is made of quality materials which include Ply wood, Teak wood, Formica, Fevicol, Particle board and Prelam board, which high grade material from reliable vendors are used in making these products.



**Bedroom Sets**



**Sofa Sets**



**Dining Sets**



**Decor & Artifacts**

### 2. Office Furniture

Under this category, we provide office seating solutions, desks, executive work stations and storage units which are designed keeping in mind requirements of modern work place. The Company offers complete solutions for office furniture designed to meet the growing demands of modern day business. It offers a wide range of high quality modern day modular office furniture which includes modular office partition systems, office chairs, cabinets and Wardrobe, storage racks, storage systems, revolving chairs, office workstations etc. It develops different types of furniture and caters to different industries encompassing office furniture, institutional furniture, service sector furniture.





**Office Desking**



**Work Stations**



**Storages**



**Office Chairs**

### 3. Hospital Furniture

Under this category, we provide hospital beds, side tables, cabinet, ward furniture etc. which are designed keeping safety, multitude of applications and functions in mind. The range of Hospital Furniture is in line with industrial standards and is available in various dimensions and sizes to suit the variegated taste and preferences of our clients.





**ICU Beds**



**Bed Side-Tables**



**Ward Furniture**



**Wheel Chair**

#### 4. Institutional Furniture

Under this category, we provide chairs, tables, storage, lockers etc. Our storage and lockers provide singular flexibility, making it a useful storage addition to any working environment. In order to offer new and varied products to our customers, we focus on creating innovative designs combined with an emphasis on quality. The products procured are made of high grade materials and quality tested.



**Chairs**



**Tables**



**Storage**



**Lockers**



## 5. Education Furniture

Under this category, we are offering a quality assured assortment of Educational furniture like chair with armrest, glass door cupboards, stool for science lab, study table with drawers, dual desks, writing table etc. to schools and colleges which are designed keeping in view of durability and comfort. These furniture's are designed using state-of-the-art technology and latest machinery. The company offers a wide range of school furniture that is available in contrasting colors and designs. We also provide library furniture such as library chairs, library tables and library shelving.



### OUR OFFICES / SHOWROOMS/ WAREHOUSES

#### Registered Office:

Plot No. 6,  
Revenue Survey  
No. 149, National  
Highway, at Vavdi,  
Gondal Road,  
Rajkot, Gujarat –  
360004, India.





### OUR SHOWROOMS (COCO Flagship Stores)

<b>Ahmedabad Showroom</b>	<p>"Circle - P" Sarkhej Gandhinagar Highway, 100 Feet Road Corner, Opp. Nima Farm, Ahmedabad.</p>	
<b>Rajkot Showroom</b>	<p>Opp. Jay Ganesh Auto Centre, NH – 8B, Rajkot - Gondal High Way, Vavdi, Rajkot Gujarat - 360004.</p>	
<b>Mumbai Showroom</b>	<p>Building No. C - 2, Gala no. 1, 3, 4, 5 &amp; 6, Near kasheli bridge, Thane - Bhiwandi Road, village - Kasheli, Tal - Bhiwandi, Dist - Thane - 421302.</p>	

### OUR WAREHOUSES

Sr. No.	Warehouse	Address
1.	Rajkot Warehouse	Saurashtra Solvent Extraction Co. Pvt. Ltd. Premises, Gondal Road Highway, Kotharia, Rajkot - 360 004.
2.	Kolkata - Warehouse / Branch	"Ghosh & Ghosh Compound", Anil Nagar, Nr. Khal Pool, Mollar Gate, BBT Road, 24 Parganas (S), Kolkata, West Bengal - 700 141.
3.	Mumbai Warehouse / Branch	Shree Rajlaxmi Commercial Complex, Bldg. No. - B1, Gala no. 9,10,11A, 11B, 11C, 12, 13, 14, 23, 24, 25, 26A, 26B, 27A, 27B, 28, Vill - Kalher, Old Agra Road, Tal – Bhiwandi
4.	Surat Warehouse / Branch	Hirachand Industrial Estate , Plot No 72, Near Sosyo Circle Behind Pratap Press, Udhna Magdhalla Road Surat



**OUR FRANCHISE / DISTRIBUTORS STORES**

We enter into franchise agreements in locations where we determine that collaboration with domestic players with existing experience in a city or market will assist in our operations. Pursuant to our franchise agreements, the franchise partners operate our outlets on an exclusive basis.

<b>Junagadh Showroom</b>	Opp. Sakkar Baug, Rajkot Road, Junagadh – 362001, Gujarat, India
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<b>Mehsana Showroom</b>	Subh Complex, First Floor, Second Floor –Third Floor – Shop No. 11 to 22, Opp- Good Luck Party Plot, Radhanpur Road (By Pass), Mehsana – 384205, Gujarat.
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<b>Hyderabad Showroom*</b>	12-5-111/P, Moosapet, Mumbai Highway Road, Kukatpally, Hyderabad, Telangana – 500018
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*\*the Franchise agreement has been expired on March 31, 2018 and we are in the process of renewing the same.*



## **SALES & MARKETING**

The efficiency of marketing and sales network is critical success factor of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. We have developed a marketing network across various states in the country. We intend to focus our expansion efforts on markets where we determine there is an increasing demand for our products and where we can leverage our existing presence to expand our market share. Our marketing team along with our promoters through their experience and good rapport with customers owing to timely and quality delivery of product plays an instrumental role in creating and expanding the sales network of our Company. In order to maintain good relation with our customers, our promoters & our marketing team regularly interacts with them and focuses on gaining an insight into the additional needs of our customers. We believe that our widespread distribution, retail network and our relationships with large format stores, multi-brand outlets and online retailers enable us to effectively distribute and sell our products to our target customers.

The marketing is done at the Macro and Micro level through the various medium as follows:

- Print Media – Newspapers & magazines
- Radio (FM)
- Hoardings
- Exhibitions Participation
- Instore Branding –Poster & Banners
- Finance Facility – Easy EMI to customers
- Distributions of catalogue & leaflets etc.
- Social media –Facebook, Twitter, YouTube, Whatsapp, SMS, Mailer
- Website – [www.parinfurniture.com](http://www.parinfurniture.com)
- Mobile Application – Parin Furniture

### **Clients & Markets**

Our Company has a strong customer profile and some of its major customers include Airport Authority of India, Rajasthan Madhyamik Shiksha Abhiyan, Shree Gurukrupa Shraddha Realities Pvt Ltd, Trendsutra Client Services Pvt Ltd, J P Structures Pvt Ltd and Delhi Tourism & Transportation Development Corporation.



## **MARKETING STRATEGY**

### **(A) Projects - Government & Private**

Under the leadership and experience of our Promoter, Mr. Parin Umeshbhai Nandani who is overseeing marketing of the products and also handles the co-ordination with various corporate and government authority in the country, we have been able to generate regular orders from various business segments. We are actively participating through online & offline tenders. The business generation is done by our sales team and through our dealers also. We also intend to further expand our client base by meeting orders in time and maintaining customer relationships.

We have also launched the products suitable for education, healthcare and corporate sectors where demand is high and more standard products are needed. We have created and positioned our brand in niche market for modular furniture – such as bench, desk, work station, storages, chairs and tables, hospital beds, side tables & entire health care furniture product solution. We have succeeded in building reputation in the market for its commitment to quality and time bound shipment schedules with a sharp, competitive approach towards project fulfillment.

### **(B) B2B**

The Company provides complete support to the dealers in developing their business with launching new products, unique business ideas, training & development, reporting systems. Our Company is providing marketing support at regional & national level by participating in exhibitions. We provide marketing materials like catalogues, leaflets, dangler, in-store branding visual, hoarding for brand promotion. The brand communication & product promotion has become much faster and easier via SMS, whatsapp, mobile application & website in connecting with customers.

### **(C) Retail**

The retail business is generated from COCO (Company Owned Company Operated) retail stores. With the target of generating footfall in store, the most effective medium is print advertisement in newspaper, radio jingles, hoardings and sponsorships. The products display and visual merchandising is been handled by the expert team which creates an overwhelming customer shopping experience. We either enter into leases with property owners or enter into franchise agreements with third parties for our exclusive brand outlets. We endeavour to ensure that the customer experience at all our exclusive brand outlets is standardized.

### **(D) E- Commerce**

We also sell our products through online retailers. We have formed a strategic business alliance with giant online retailers like Flipkart & Pepperfry as they will be selling our products through online portals. As per the terms mutually agreed amongst the parties, we agree to share either a specified percentage of the margin on the maximum retail price or additional margin on the basis of the revenues generated by our products.

## **COMPETITION**

We face competition from different regional & national domestic players in furniture industry like Godrej & Boyce, Featherlite. Our competitors include both large & small furniture players in the regions and areas where we operate. We also face competition from various small unorganized operators. However we expect that our commitment to quality, past records of timely execution and transparency will provide us edge over our competitors. We believe our experience in this business has enabled us to provide quality products in response to customer's demand for best quality.





## OUR COMPETITIVE STRENGTHS

### 1. Unique Brand Positioning

We have developed our strong goodwill in furniture industry with support of our business associates & customers. Our business partners and dealers are associated with us for long time. We are committed to deliver the unique designed utility products on real time basis which is very well accepted in the market. Our ability to identify market trends and sell new products has contributed to the growth and diversification of our business.

### 2. Our Wide Spread Network

We are the National Brand having its presence in 18 states, having more than 900 Dealers across pan India. We aim to widen our marketing network further to cover unexplored areas in India and strengthen our customer base, strong presence on e-commerce sites through our business tie ups with giant retailers like Flipkart & Pepperfry.

### 3. Integrated Manufacturing Facility of our Subsidiary Company

We do continuous endeavor to maintain the requisite infrastructure and technological up gradation for the smooth running of the manufacturing process as well as to cope with the changing market demand situation. There is a continuous change in the technology and markets are very dynamic to the change in technology. We keep ourselves technologically upgraded with the latest machines and infrastructure.

### 4. Experienced Promoters, professional management and skilled workforce

We are a professionally managed Company with an experienced management team that is led by our Managing Director, Mr. Umesh Dhirajlal Nandani, who has been associated with our Company since its inception. He carries more than 2 decades of experience in furniture business in various verticals. His core expertise and primary focus is on product development and business expansion. Mr. Parin Umeshbhai Nandani is the young director of our Company, handling the sales business verticals. Under their guidance, knowledge and business skills, we have been able to successfully implement our business plans and achieve growth. Under our management team's entrepreneurial leadership we have developed an optimized and capital efficient business model and an extensive marketing and retail network.

We believe that our management's experience and their understanding of the furniture industry will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business.

### 5. Strong & Long term relationship with our Clients

Customer satisfaction and long-standing relationship with clients is the key to success for any organization. Our on time delivery and quality product helps us maintain strong relationship with our customers and also gives us competitive strength against our peers. Our Strength is our uniform business policies, professional business approach, scheme & promotion offers, diversified product range, commitment to deliver on real time basis and after sales service. Our brand value has been developed over the period of time with our dealers, customers and vendors also.

### 6. Optimal Utilization of Resources

Our Subsidiary Company constantly endeavors to improve its production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. It regularly analyzes its existing material procurement policy and manufacturing process to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.



## **OUR BUSINESS STRATEGIES**

### **1. Brand Building**

We intend to build our brand primarily through continued investment in marketing activities and the establishment of long-term relationships with our customers. In the face of increased competition, we believe that it is critical that we maintain the advantages that our products offer over our competitors. We are highly conscious about our brand image and intend to continue our brand building exercise by providing required services to the satisfaction of the customers.

### **2. Setting up of more showrooms**

We intend to set up more showrooms so as to capture the retail market directly. At present, in domestic markets, we are mainly supplying our products either through our distributors channel or directly to customers. By setting up more outlets, we aim to have access to the ultimate consumer and increase our market penetration.

### **3. Improving functional efficiency**

Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous process improvement and customer service. We continue to invest in operational excellence throughout the organization. We ensure a strong quality commitment by our employees.

### **4. Leveraging our Marketing skills and Relationship**

Leveraging our marketing skills and relationship is a continuous process in our organization. We believe in imparting training to our employees for enhancing their marketing skills. Further we aim to undertake some marketing initiatives as well to increase our brand visibility. Such initiatives shall include print and electronic advertisements, sponsorships, participating in industrial exhibitions, etc.

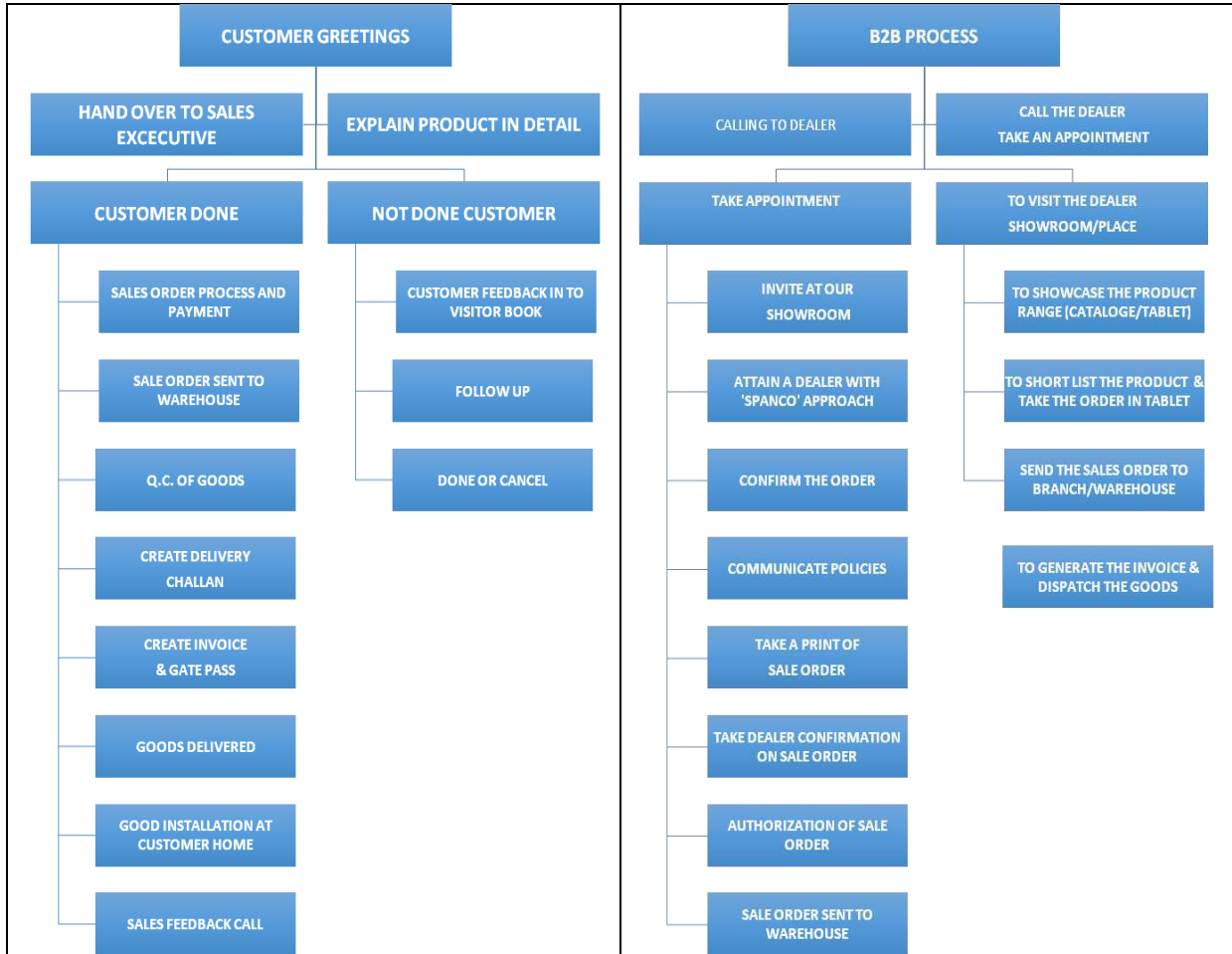


**OUR BUSINESS PROCESS**

**1. SALES PROCESS**

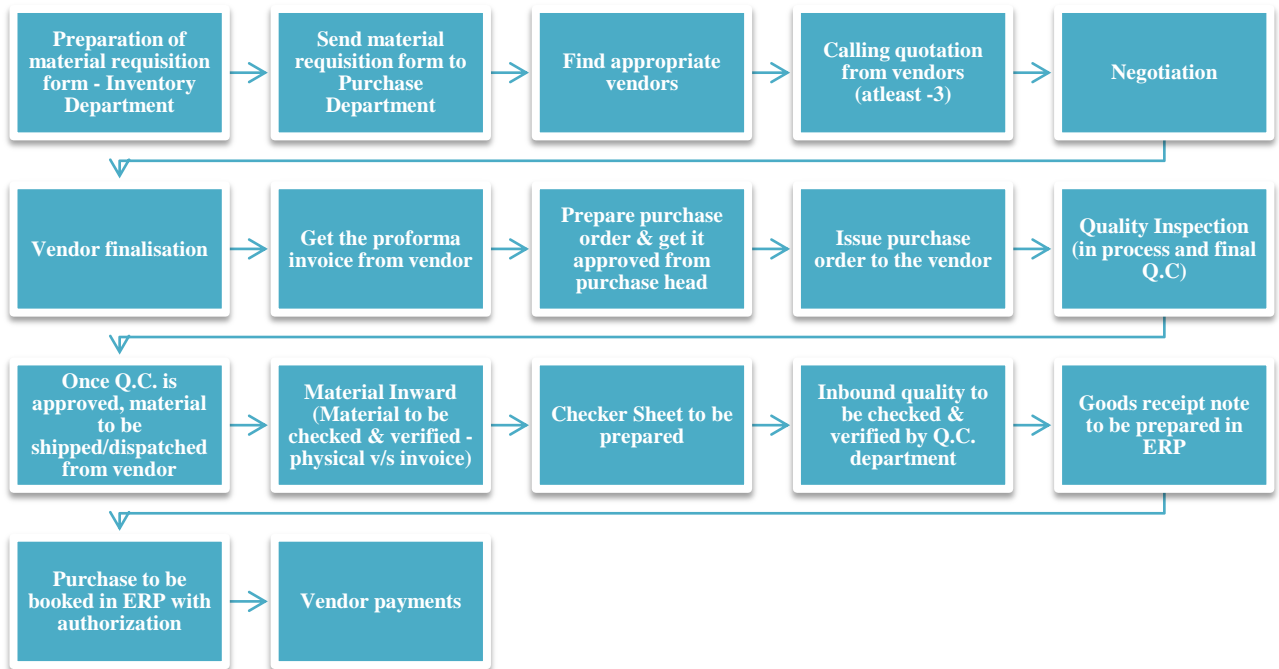
**Flow Chart – Retail**

**Flow Chart - B2B**





## 2. Flow Chart –Purchase Department



### QUALITY CONTROL & ASSURANCE

In furniture industry, quality control and assurance is prime importance for customer satisfaction and brand building. We have certification marks/licenses from International Organization for Standardization (ISO) for our range of products that adhere to industry standards. Our management has obtained the following certification as:-

- (A) ISO-13485:2012
- (B) ISO-9001:2015
- (C) OHSAS-18001:2007
- (D) ISO-14001:2015
- (E) Assured Green Business (Green Guard)
- (F) BIFMA Membership Certificate

Our Company ensures the customers end-to-end quality assurance for furniture products. By assessing the performance, regulatory and sustainability of furniture products, we expertise to provide assurance of quality and safety of our products. We offer & follow:

**Performance:** Evaluating the durability and performance of our furniture products to meet industry standards and consumer expectations.

**Flammability:** Determining the fire resistance of furniture, cover fabrics, and filling materials in accordance with industry standards.

**Environmental/Sustainability:** Demonstrating reduced negative environmental and social impacts of our furniture products while safeguarding the triple bottom line: people, planet, and profit.

**Consulting:** Leveraging on-demand expertise to better facilitate our business. Whether it is designing for compliance, in need of extra resources, or overcoming industry challenges, we assist to our customers.



Performance testing to industry standards gives us a competitive edge and adds value to our products. We can gain confidence in knowing how our product stacks up against the competition.

### Quality Policy

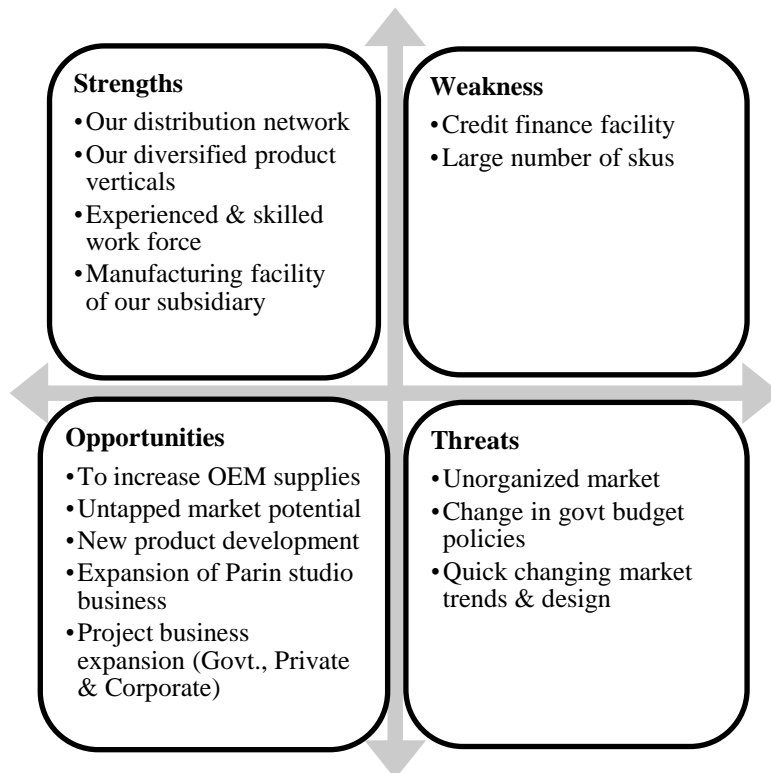
We have defined a quality policy & objectives are given below:

- Our aim is to provide customers with the highest quality products by assuring performance, consistency, safety and value.
- Through our subsidiary, we strive to achieve growth by designing and manufacturing of consistent quality product to our valued customers. We ensure our products are affordable to the customers.
- We maintain high quality standard by creating an environment of teamwork and innovative approach for continual improvement in product quality.
- We are fully committed to the quality by complying with all applicable requirements to improve the effectiveness of quality management system.

### UTILITIES AND INFRASTRUCTURE

Our registered office which is located at Opp. Jay Ganesh Auto Centre, Plot No 6, Rev. Ser. No. 149, NH No. 8B, Gondal Road, Village Vavdi, Rajkot and other business locations are well equipped with computer systems, servers, relevant software and other communication equipments, uninterrupted power supply, internet connectivity, security and other utilities and facilities which are required for our business operation to functions smoothly.

### SWOT ANALYSIS





## HUMAN RESOURCES

We consider our employees as a key factor to our success. We encourage our employees to be focused and customer driven. We have created a culture that attracts people with multidimensional skills and experiences. Our senior management team combines extensive experience in furniture industry. Our Company holds training sessions on periodic basis and has, in the past, held training sessions for marketing activity, sales force and increase in efficiency & performance of employees. As on the date of this Draft Red Herring Prospectus, we have 138 employees.

## COLLABORATIONS

The Company has so far not entered into any technical or financial collaboration agreement.

## INFORMATION TECHNOLOGY

Our IT infrastructure is vital to our business and operations. We use an information management system to facilitate the flow of information among all our business functions, thereby ensuring quick decision making of key business processes and other routine functions. We aim to avoid duplication of efforts across different departments and thereby facilitating faster processing of work, payments and invoices. We also use our information management system to assist in day-to-day management, support strategic planning and help reduce operating costs by facilitating operational coordination across functional departments. We have implemented accounting system to facilitate and support our sales and marketing functions, track financial transactions support and our overall reporting process.

## INSURANCE

We maintain insurance policies with independent insurers in respect of our building, furniture, fixtures & fittings and stocks covering losses due to causes such as Fire & Special Perils. We also maintain Group Personal Accident insurance, Public Liability (Industrial Risks) Insurance in respect of our employees and customers. The details of Insurance policies presently taken by our Company are tabulated below:

Sr. No.	Policy No.	Insurance Co.	Name of Insurance Policy	Assets / Location of Assets and Sum Insured (in Rs.)	Premium (in Rs.)	Expiry date
1.	0000000007905360	SBI General Insurance	Standard Fire & Special Perils Insurance Policy	Building located at Vavdi, Opp. Jay Ganesh Auto Centre, Dist. Rajkot, Gujarat-360004.  Rs. 2,50,00,000	14,999	December 23, 2018
2.	0000000007905319	SBI General Insurance	Standard Fire & Special Perils Insurance Policy	Furniture / Fixtures / Fittings at Vavdi, Opp. Jay Ganesh Auto Centre, Dist. Rajkot, Gujarat-360004.  Rs. 75,00,000	6,357	December 23, 2018
3.	51987929	IFFCO-TOKIO General	Group Personal Accident	Employees of our company	1,06,530	February 10, 2019



		Insurance Company Limited	Insurance Policy	Rs. 3,00,000/-		
4.	21120048180300000001	The New India Assurance Co. Ltd.	Money Insurance Policy	<p>Money in Safe Insured at branches located at</p> <p>1. "Circle - P" Sarkhej Gandhinagar Highway, 100 Feet Road Corner, Opp. Nima Farm, Ahmedabad.</p> <p>2. Opp. Jay Ganesh Auto Centre, NH – 8B, Rajkot - Gondal High Way, Vavdi, Rajkot Gujarat - 360004.</p> <p>3. Building No. C - 2, Gala no. 1, 3, 4, 5 &amp; 6, Near kasheli bridge, Thane - Bhiwandi Road, village - Kasheli, Tal - Bhiwandi, Dist - Thane - 421302.</p> <p>4. "Ghosh &amp; Ghosh Compound", Anil Nagar, Nr. Khal Pool, Mollar Gate, BBT Road, 24 Parganas (S), Kolkata, West Bengal - 700 141.</p> <p>5. Hirachand Industrial Estate , Plot No 72, Near Sosyo Circal Bihand Pratap Press, Udhna Magdhalla Road Surat</p>	23,444	May 08, 2019
				Rs. 16,00,000/-		
5.	21120036180600000001	The New India Assurance Co. Ltd.	Public Liability (Industrial Risks) Insurance Policy	<p>1. Opp. Jay Ganesh Auto Centre, NH – 8B, Rajkot - Gondal High Way, Vavdi, Rajkot Gujarat - 360004.</p> <p>2. Circle P, S G Road, 100 Ft Corner, Opp. Nima Farm, Ahmedabad</p> <p>3. Above Big Bazar, Duman Road, Surat</p>	18,160	May 08, 2019





				Rs. 50,00,000/-		
6.	0662001117P11551 5055	United India Insurance Company Limited	Standard Fire and Special Perils Policy (Floater Basis)	All Type of Readymade Furniture, Fixtures, Stock in Godown.  Rs. 15,95,00,000/-	2,26,699	February 12, 2019
7.	0662831117P11493 6457	United India Insurance Company Limited	Standard Fire and Special Perils Policy (Floater Basis)	All Type of Readymade Furniture, Fixtures, Stock in Showroom.  Rs. 2,75,00,000/-	29,125	February 12, 2019

Apart from above, our company maintains vehicle insurance policies for the vehicles owned by our Company.

#### IMMOVABLE PROPERTY:-

Our registered office is located at Plot No. 6, Revenue Survey No.149, National Highway at Vavdi, Gondal Road Rajkot – Gujarat - 360004 in, India. Our registered office is not owned by us and has been rented by our Company from our Promoter Mr. Deven Dipesh Nandani. Our Company carries out its business operations from the registered office of our Company.

Our Company has entered into five (05) lease agreements and six (06) leave and license agreements have been entered into by our Company for the purpose of setting up showrooms and warehouses of our Company at Rajkot (2), Ahmedabad (3), Surat (1), Kolkata (1) and Bhiwandi (4). The following table sets forth details of our owned and leased properties as of the date of this Draft Red Herring Prospectus:

Sr. No.	Address of Property	Purpose	Own/ Lease / Leave and License basis	Name of the Seller/Lessor/ Licensor	Consideration/ Lease Rental/ License Fees
1.	Opp. Jay Ganesh Auto Centre, Plot No 6, Rev. Ser. No. 149, NH No. 8B, Gondal Road, Village Vavdi, Rajkot  Area: 27250 Sq Ft	Registered Office and Showroom	Lease	<b>Licensors:</b>  Deven Dipeshbhai Nandani (Legal Heir of Lt. Dipesh Dhirajlal Nandani)  (Our Promoter and Owner of the property)	Renewed Lease agreement dated March 09, 2018 between Licensors and Company namely Parin Furniture Private Limited (Licensee) for a period of fifteen (15) years at a monthly rent of Rs. 1,25,000/- (Rupees One Lakh Twenty-Five Thousand Only). With a escalation clause of 15% after every 3 years. With a escalation clause of 15% after every 3 years.



2.	Saurashtra Solvent Extraction Co. Pvt. Ltd. Premises, Gondal Road Highway, Kotharia, Rajkot - 360 004.	Warehouse	Lease	<b>Lessor:</b> Saurashtra Solvent Extraction Co. Pvt Ltd through its director Shri Chandulal Gulabchand Kothari	Lease agreement dated June 1, 2015 between Lessors and our Company namely Parin Furniture Private Limited (Lessee) for a period of three (3) years and to be expired on May 31, 2018 at a Rent of Rs. 2.25 per Sq Ft per month.
3.	1st Floor, (Nos. 3), Circle P, S G Road, Opp. Nima Farm, Ahmedabad  Area: Carpet Area of 3258 Sq Ft	Show Room	Lease	<b>Lessor:</b> Alka Goyal	Lease agreement dated April 29, 2014 between Lessor and our Company namely Parin Furniture Private Limited (Lessee) for a period of fifteen (15) years at a monthly rent of Rs. 1,12,000/- (Rupees One Lac Twelve Thousand Only). With a escalation clause of 15% after every 3 years.  Commencement of Lease period 01.11.2014
4.	1st Floor, (Nos. 3), Circle P, S G Road, 100 Ft Corner, Opp. Nima Farm, Ahmedabad  Area: Carpet Area of 3258 Sq. Ft.	Show Room	Lease	<b>Lessor:</b> Girish Goyal	Lease agreement dated April 29, 2014 between Lessors and Company namely Parin Furniture Private Limited (Lessee) for a period of 15 years at a monthly rent of Rs. 1,12,000/- (Rupees One Lac Twelve Thousand Only). With a escalation clause of 15% after every 3 years.  Commencement of Lease period 01.11.2014
5.	1st Floor, (Nos. 3), Circle P, S G Road, 100 Ft Corner, Opp. Nima Farm, Ahmedabad  Area: Carpet Area of 3258 Sq Ft	Show Room	Leased	<b>Lessor:</b> Shubham Goyal	Lease agreement dated April 29, 2014 between Lessors and Company namely Parin Furniture Private Limited (Lessee) for a period of 15 years at a monthly rent of Rs. 1,00,000/- (Rupees One Lac Only). With a escalation clause of 15% after every 3 years.  Commencement of Lease period 01.11.2014




6.	Hirachand Industrial Estate, Plot No. 72, Rev. Ser. No. 26, Village Udhna, Tal. Choryasi, Surat (Only Ground Floor)	Warehouse	Leave and License	<b>Licensor:</b> Farasram Rangildas Mawapuri	Leave and License agreement dated April 24, 2018 between Licensor and Company namely Parin Furniture Private Limited (Licensee) for a period of 11 months starting March 01, 2018 at a monthly rent of Rs. 18,500 (Rupees Eighteen Thousand and Five Hundred Only)
7.	"Gosh & Ghosh Compound" Anil Nagar, Budge Budge Trunk Road, P S Maheshtala, P O Gobindpur, Kolkata-700141  Area: 17000 Sq. Ft	Kolkata Warehouse	Leave and License	<b>Licensors:</b> 1. Ranjit Kumar Ghosh 2. Sujit Kumar Ghosh 3. Leena Ghosh and 4. Gopal Ghosh	Leave and License dated September 8, 2013 between Licensor and Company namely Parin Furniture Private Limited (Licensee) for a period of 9 years at a monthly rent of Rs. 2,80,500/- (Rupees Two Lacs Eighty Thousand Five hundred Only). With a escalation clause of 15% after every 3 years.  Commencement of Lease period 01.10.2013
8.	Mouje Kasheli, Industrial Shed No (Gala No.) 3, 4, 5, 6 & 1, Chamunda Complex, Village Kasheli, Tal, Bhiwandi, Thane 421302  Area: 22,295 Sq Ft	Mumbai Showroom	Leave and License	<b>Licensors:</b> Hiren N Thosani Reema U Thosani Sejal V Thosani Saurabh N Thosani Pravin K Thosani Darshana V Thosani and Tushar H Mehta	Leave and License agreement dated April 15, 2015 between Licensor and Company namely Parin Furniture Private Limited (Licensee) for a period of 60 months at a monthly rent of Rs. 2,05,113/- (Rupees Two Lacs Five Thousand one hundred thirteen Only). With a escalation clause of 15% after one year and Rs. 4.42 after 3 years for one year.  Commencement of Lease period 01.05.2015

9.	RCC Shed Gala, Ground Floor, Survey No. 188, Plot & Gala no C-2 1&2 at Chamunda Complex, Village Kasheli, Tal, Bhiwandi District, Thane 421302  Area: 8,918 Sq Ft	Showroom	Leave and License	<b>Licensors:</b> 1. M/s. P K Thosani HUF  and 2. Rashmi P Thosani	Leave and License agreement dated September 29, 2016 between Licensors and Company namely Parin Furniture Private Limited (Licensee) for a period of 60 months at a monthly rent of Rs. 97,562/- (Rupees Ninety Seven Thousand Five hundred sixty two Only). With a escalation clause of Rs. 1.64 per sq.ft. after one year and Rs. 2.42 per sq. ft. after 2 years for two years.  Commencement of Lease period 01.07.2016
10.	Bld. No. BI-13,14,23,24,25,26A, 26B, 27A, 27B, 28 Shree Rajlaxmi Commercial Complex, Kalher Village, Agra Road, Bhiwandi, Thane Area: 14,660 Sq Ft Built up	Mumbai Warehouse	Leave and License	<b>Licensors:</b> Jayantilal Padamshi Shah Jayantilal Padamshi Shah (HUF) Kirit Fatehchand Vora Chhaya Vijay Shah Alpa Ketan Shah Hiteshree M Shah Jay Mahendra Shah Binny Ashok Gada Meena Ashok Gada Premchand Hansraj Sumaria	Leave and License agreement dated May 15, 2015 between Licensors and Company namely Parin Furniture Private Limited (Licensee) for a period of 9 years at a monthly rent of Rs. 1,24,610/- (Rupees one Lac Twenty Four Thousand Six hundred Ten Only). With a escalation clause of 4% after every 1 year.  Commencement of Lease period 15.05.2015
11.	Bld. No. BI-9,10,11A, 11B, 11C, 12 Shree Rajlaxmi Commercial Complex, Kalher Village, Agra Road, Bhiwandi, Thane  Area: 7,216 Sq Ft Built up	Mumbai Warehouse	Leave and License	<b>Licensors:</b> Syed Athar Nazia Merchant Riaz Poonawala Samad Motorwala Safia Poonawala and Danish Poonawala	Leave and License agreement dated May 15, 2015, commencing lease period from same date, between Licensors and Company namely Parin Furniture Private Limited (Licensee) for a period of 9 years at a monthly rent of Rs. 61,336/- (Rupees Sixty One Thousand Three hundred Thirty Six Only). With a escalation clause of 4% after every 1 year.



## INTELLECTUAL PROPERTY

Our Company has registered its trademark "Parin" (Label)  under Class 20 which is registered with the Trade Marks Registry until December 8, 2025. Our Company has further registered its trademark "Parin"

(Label)  under class 20 which is registered with the Trade Marks Registry until October 16, 2022.

Further, our Company has granted non-exclusive rights to our Subsidiary Company Pearl Furniture Private Limited to use both the Trademarks by the way of Memorandum of Understanding dated April 10, 2018



## **KEY INDUSTRY REGULATIONS AND POLICIES**

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled “Government and other Approvals” beginning on page 317.*

**This chapter has been classified as under:**

- A. Industrial Laws**
- B. Corporate and Commercial laws**
- C. Labour and employment Laws**
- D. Environmental laws**
- E. Tax Laws**
- F. IPR Laws**
- G. Foreign Regulations**

### **INDUSTRIAL LAWS**

#### **Shops and Establishments Legislations**

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

### **CORPORATE AND COMMERCIAL LAWS**

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

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Companies Act primarily regulates the formation, organization, financing, functioning, managerial and restructuring of separate legal entity as companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

#### **Competition Act, 2002**

The Competition Act, 2002 “prohibits anti-competitive agreements, abuse of dominant positions by enterprises” and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover



thresholds. There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

### **Indian Contract Act, 1872**

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them. Each contract creates some right and duties upon the contracting parties. Indian contract deals with the enforcement of these rights and duties upon the parties. The Indian Contract Act also lays down provisions of indemnity, guarantee, bailment and agency. Provisions relating to sale of goods and partnership which were originally in the act are now subject matter of separate enactments viz., the Sale of Goods Act and the Indian Partnership Act.

### **The Consumer Protection Act, 1986**

The Consumer Protection Act, 1986 (the "Consumer Protection Act") provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers' disputes and matters connected therewith. The Consumer Protection Act protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressal forums set up by the government such as the National Commission, the State Commission and the District Forums. Such redressal forums have the authority to grant various reliefs, such as removal of defects, replacement of goods, compensation to the consumer, etc.

### **Negotiable Instruments Act, 1881**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. 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 honored by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonor of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two years, or with fine which may extend to twice the amount of the cheque, or with both.

### **The Registration Act, 1908 ("Registration Act")**

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.





### **Indian Stamp Act, 1899 (the “Stamp Act”)**

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

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

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 installments 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 Arbitration and Conciliation Act, 1996**

This Act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimise the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

### **The Insolvency and Bankruptcy Code, 2016**

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Code proposes to establish an Insolvency Regulator (The Insolvency and Bankruptcy Board of India) to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities; these agencies will develop professional standards, codes of ethics and exercise a disciplinary role over errant members leading to the development of a competitive industry for insolvency professionals. The Code proposes for a fast track insolvency resolution process for companies with smaller operations. The process will have to be completed within 90 days, which may be extended upto 45 more days if 75% of financial creditors agree. Extension shall not be given more than once.



## **LABOUR AND EMPLOYMENT LAWS**

### **Industrial (Development and Regulation) Act, 1951**

The Industrial (Development and Regulation) Act, 1951 has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings have been made exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defence equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum ("IEM") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

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

The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concessional rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the Official Gazette. Workers are to be paid for overtime at overtime rates stipulated by the appropriate State Government. Any contravention may result in imprisonment of upto six months or a fine of upto Rs 500.

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

The Payment of Wages Act applies to the persons employed in the factories and to persons employed in industrial or other establishments where the monthly wages payable to such persons is less than Rs 18,000/-. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

### **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.

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

All the establishments to which the Employees State Insurance (ESI) Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act applies to those establishments where 20 or more persons are employed. The Act requires all the employees of the factories and establishments to which the Act applies to be insured in the manner provided under the Act. Further, employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the ESI department.

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

Gratuity is a lump sum payment made by an employer as the retirement reward to an employee for his past service when his employment is terminated. The provisions of the Act are applicable on all the establishments in which ten or more employees were employed on any day of the preceding twelve months and as notified by the



government from time to time. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A thereafter whenever there is any change in the name, address or in the change in the nature of the business of the establishment a notice in Form B has to be filed with authority. An employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, superannuation, death or disablement. An employer may also choose to pay gratuity outside of that which is required by this Act. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

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

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. Under the said Act an employee in a factory who has worked for at least 30 working days in a year is eligible to be paid bonus. The minimum bonus to be paid to each employee is 8.33% of the salary or wage or Rs 100, whichever is higher, and must be paid irrespective of the existence of any allocable surplus. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of 20% of such salary or wage. Contravention of the Act by a company will be punishable by proceedings for imprisonment upto six months or a fine upto `1,000 or both against those individuals in charge at the time of contravention of the Payment of Bonus Act. It further requires for the maintenance of certain books and registers and submission of Annual Return in the prescribed form (FORM D) within 30 days of payment of the bonus to the Inspector.

### **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.

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

The purpose of Maternity Act 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides inter-alia for payment of maternity benefits, medical bonus and enacts prohibition on dismissal, reduction of wages paid to pregnant women etc. It applies in the first instance, to every establishment being a factory, mine or plantation including any such establishment belonging to Government and to every establishment wherein persons are employed for the exhibition of equestrian, acrobatic and other performances.

### **Apprentices Act, 1961**

The Apprentices Act was enacted in 1961 for imparting training to apprentices i.e. a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Every employer shall make suitable arrangements in his workshop for imparting a course of practical training to every apprentice engaged by him in accordance with the programme approved by the apprenticeship adviser. The central apprenticeship adviser or any other person not below the rank of an assistant apprenticeship adviser shall be given all reasonable facilities for access to each apprentice with a view to test his work and to ensure that the practical training is being imparted in accordance with the approved programme.

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

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act, the employment of child labour in the building and construction industry is prohibited.



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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for the protection of women at work place and prevention of sexual harassment at work place. The 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 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 N 50,000/- (Rupees Fifty Thousand Only).

### **The Industrial Employment (Standing orders) Act, 1946**

This Act is to require employers in industrial establishments to formally define conditions of employment under them and submit draft standing orders to certifying Authority for its Certification. It applies to every industrial establishment wherein 100 (reduced to 50 by the Central Government in respect of the establishments for which it is the Appropriate Government) or more workmen are employed. And the Central Government is the appropriate Government in respect of establishments under the control of Central Government or a Railway Administration or in a major port, mine or oil field. Under the Industrial Employment (Standing Orders) Act, 1946, all RLCs(C) have been declared Certifying Officers to certify the standing orders in respect of the establishments falling in the Central Sphere. CLC(C) and all Dy. CLCs(C) have been declared Appellate Authorities under the Act.

## **ENVIRONMENTAL LAWS**

### **Environment Protection Act, 1986**

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

## **TAX LAWS**

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

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

### **The Goods and Services Tax Act, 2017**

Goods and Services Tax (GST) is considered to be the biggest tax reform in India since independence. It will help realise the goal of “One Nation-One Tax-One Market.” GST is expected to benefit all the stakeholders – industry, government and consumer.



Goods and Services Tax (GST) is an indirect tax throughout India and was introduced as The Constitution (One Hundred and Twenty Second Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by GST Council and its Chairman is Union Finance Minister of India - Arun Jaitley. This Act has been made applicable with effect from 1st July 2017.

With the introduction of GST all central, state level taxes and levies on all goods and services have been subsumed within an integrated tax having two components – central GST and a state GST. Thus there will be a comprehensive and continuous mechanism of tax credits.

The Central government passed four sets of GST Acts in the Budget session this year. These were Central GST Act, 2017; Integrated GST Act, 2017; Union Territory GST Act, 2017 and GST (Compensation to States) Act, 2017. The Acts were approved by the Parliament after they were introduced as the part of the Money Bill. Following the passage of GST Acts, the GST council has decided 4 tax rate slabs viz., 5%, 12%, 18% and 28% on supply of various goods and services.

India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single State will be levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that State. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax, therefore, taxes are paid to the State where the goods or services are consumed and not the State in which they were produced.

**Following laws which have been subsumed in GST Acts were applicable to the Company till 30th June 2017 and shall remain applicable here after as stated in the GST ACTS:**

#### **Central Sales Tax Act, 1956**

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

#### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code).

#### **Service Tax (the “Finance Act, 1994”)**

Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, (as amended from time to time) which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government. In accordance with Rule 6 of Service tax Rules the assessee is required to pay Service tax in TR 6 challan by fifth of the month immediately following the month to which it relates. Further under Rule 7(1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by twenty fifth of the month immediately following the half year to which the return relates.



## **Intellectual Property Laws**

### **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.

## **FOREIGN REGULATIONS**

### **The Foreign Trade (Development & Regulation) Act, 1992**

The Foreign Trade (Development and Regulation) Act, 1992 read along with relevant rules inter-alia provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

### **Foreign Exchange Management Act, 1999 (“the FEMA”) and Rules and Regulations thereunder**

Export of goods and services outside India is governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”), read with the applicable regulations. The Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 have been superseded by the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 (“Export of Goods and Services Regulations 2015”) issued by the RBI on January 12, 2016. The RBI has also issued a Master Circular on Export of Goods and Services. The export is governed by these Regulations which make various provisions such as declaration of exports, procedure of exports as well as exemptions.





## HISTORY AND CERTAIN CORPORATE MATTERS

### Our History and Background

Our Company was originally incorporated as “Parin Furniture Private Limited” on September 12, 2006 vide Registration no. 049074 (CIN: U36101GJ2006PTC049074) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat Dadra & Nagar Havelli. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on March 17, 2018, our company was converted into a Public Limited Company and the name of our Company was changed to “Parin Furniture Limited” vide a fresh Certificate of Incorporation dated April 04, 2018 bearing CIN U36101GJ2006PLC049074 issued by the Registrar of Companies, Ahmedabad, Gujarat.

Mr. Umesh Dhriajbhai Nandani, Late Dipeshkumar Nandani and Mr. Bindeshkumar Dhirajlal Nandani were the initial subscribers to the Memorandum of Association of our Company.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, please refer the sections titled “Our Business”, “Industry Overview”, “Our Management”, “Financial information of the Company” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 117,109,152,187 and 306.

### Address of Registered Office:-

<b>Registered Office</b>	Plot No. 6, Revenue Survey No. 149, National Highway, AT. Vavdi, Gondal Road, Rajkot, Gujarat – 360 004, India
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### Changes in the Registered Office

Except as mentioned below, there has not been any change in our Registered Office since inception till the date of this Draft Red Herring Prospectus.

From	To	Effective Date	Reason for Change
Above Poonam Steel, 8/10, Bhakti Nagar Station Plot, Opp. Gujarat Foreign Ltd., Rajkot, Gujarat – 360 002, India	Plot No. 6, Revenue Survey No. 149, National Highway, AT. Vavdi, Gondal Road, Rajkot, Gujarat – 360 004, India	June 1, 2012	For Expansion and business development.

### Our Main Object

1. To manufacture, sell, purchase, import, export all types of furniture, fixtures toys, wooden packing cases, domestic appliances, windows, doors, articles for construction work, wooden plants and machineries, houses, carriages, sports equipments, chairs, stage materials, exhibition materials, coaches, vehicle bodies made of wood, steel, aluminum, iron or any other metal, plastic, fiber, lute lather, cane, rubber, foam or any other substances and their derivatives, to carry on business as timber merchant, to buy, sell, process, prepare for market, manipulate, import, export. and deal in timber and woods of all kinds, and also to further manufacture plywood, MDF Board, Partical Board, Prelame Board, Laminated Sheet, Cold Rolled Sheet, Hot Rolled Sheet, MS 12, MS Strip, MS Angle Channel, MS Tube as part of carrying out furniture and related business activities.





### Changes in Memorandum of Association

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	Increase in the authorized share capital of the Company from Rs. 50.00 Lakhs divided into 500,000 Equity Shares of Rs. 10/- each to Rs. 1250.00 Lakhs divided into 1,25,00,000 Equity Shares of Rs. 10/- each.	March 03, 2018	EGM
2.	(a) Conversion of our Company from Private Limited to Public Limited Company. Consequently name of the Company has been changed from "Parin Furniture Private Limited" to "Parin Furniture Limited" and a fresh Certificate of Incorporation dated April 04, 2018 bearing CIN U36101GJ2006PLC049074 was issued by Registrar of Companies, Ahmedabad, Gujarat.  (b) Alteration in Object Clause, Liability Clause and title of MOA in order to confirm with applicable provisions of the Companies Act, 2013.	March 17, 2018	EGM

### Adopting New Articles of Association of the Company

Our Company has adopted a new set of Articles of Association of the Company in accordance with applicable provisions of the Companies Act 2013, in the Extra Ordinary General Meeting of the Company dated March 17, 2018.

### Key Events and Mile Stones

Calendar Year	Key Events / Milestone / Achievements
2006	Incorporation of our Company as "Parin Furniture Private Limited".
2015	Our Company has acquired the business of P.P. Furniture Private Limited through Slump Sale vide a Slump Sale Agreement dated April 01, 2015
2018	Conversion of our Company from Private Company to Public Company
2018	Acquisition of 98.45% of outstanding equity shares of Pearl Furniture Private Limited

### Our Awards, Recognition and Certifications:

Calendar Year	Key Events / Milestone / Achievements
2015	Our Company was awarded as the Fastest Growing Furniture Company of the year by Brands Academy.
2016	Our Company was granted a Certificate of Appreciation by Rajkot Chamber of Commerce & Industry
2017	Our Company was awarded with "Excellent Achievement Award" by Ahmedabad Furniture Association.
2017	Our Company was awarded "Saurashtra Ratna" for contribution in Home & Office Décor by CNBC Awaz



### **Capital raising (Debt / Equity)**

For details in relation to our capital raising activities through equity, please refer to the chapter titled “Capital Structure” beginning on page 66.

For a description of our Company’s debt facilities, see “Statement of Financial Indebtedness” beginning on page 302.

### **Defaults or Rescheduling of borrowings with financial institutions/banks**

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Draft Red Herring prospectus. Furthermore, none of the Company's loans have been converted into equity in the past.

### **Time and Cost overruns in setting up projects**

There has been no time / cost overrun in setting up projects by our Company.

### **Revaluation of Assets**

Our Company has not revalued its assets since incorporation.

### **Lock-out or strikes**

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

### **Changes in activities of Our Company during the last five (5) years**

There have been no changes in the activity of our Company during the last five (5) years preceding the date of this Draft Red Herring prospectus.

### **Holding Company**

As on the date of the Draft Red Herring prospectus, our Company is not a subsidiary of any company.

### **Subsidiary of our Company**

As on the date of this Draft Red Herring prospectus, our Company has one subsidiary company namely, Pearl Furniture Private Limited. For details please refer to chapter titled “Our Subsidiary” beginning on page 173.

### **Injunction or restraining order**

There are no injunctions/restraining orders that have been passed against the Company.

### **Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets etc.**

#### *Acquisition of business of P.P. Furniture Private Limited through Slump Sale:*

Our Company has acquired all assets and liabilities of P.P. Furniture Private Limited vide Slump Sale Agreement dated April 1, 2015 for an aggregate consideration of Rs. 281.00 Lakhs. For details regarding the said acquisition, please refer “Material Agreements-Slump Sale Agreement” beginning on page 437.



#### *Acquisition of shares of Pearl Furniture Private Limited:*

Our Company has acquired 19,00,000 Equity Shares constituting 98.45 % of the paid up Equity share Capital of Pearl Furniture Private Limited vide a Share Purchase Agreement dated June 01, 2017. For details relating to the said acquisition, please refer to “Shareholders’ Agreement and Share Purchase Agreement” and Chapter titled “Our Subsidiary” beginning on page 150 and 173 respectively.

#### **Number of Shareholders of our Company:**

Our Company has Seven (7) shareholders as on the date of this Draft Red Herring prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “Capital Structure” beginning on page 66.

#### **Changes in the Management**

For details of change in Management, please see chapter titled “Our Management” beginning on page 152.

#### **Shareholders’ Agreement and Share Purchase Agreement**

##### ***Share Purchase Agreement dated June 01, 2017 between our Company, Mr. Deven Dipesh Nanadani, Mrs. Nehaben Umesh Nandani, Mr. Parin Nandani and Pearl Furniture Private Limited***

Our Company has entered into a Share Purchase agreement dated June 01, 2017 with Mr. Deven Dipesh Nanadani, Mrs. Nehaben Umesh Nandani, Mr. Parin Nandani and Pearl Furniture Private Limited pursuant to which it acquired 19,00,000 Equity Shares constituting 98.45% of the paid up Equity share Capital of Pearl Furniture Private Limited in exchange of allotment of 2,00,000 Equity shares of our Company to the Sellers.

For further details pertaining to our Subsidiary, please refer to Chapter titled “Our Subsidiary” beginning on page 66.

Except as disclosed above, there are no subsisting shareholders’ agreements or share purchase agreement in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of this Draft Red Herring Prospectus.

#### **Collaboration Agreements**

As on date of this Draft Red Herring prospectus, Our Company is not a party to any collaboration agreements.

#### **Material Agreement-**

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any material agreement except as mentioned below:

##### ***Slump Sale Agreement***

Our Company has entered into a Slump Sale Agreement dated April 01, 2015 with P.P. Furniture Private Limited for acquisition of all assets and liabilities of P.P. Furniture Private Limited as a going concern on “as is where is basis” (collectively, “the whole business”) for an aggregate consideration of Rs. 281.00 Lakhs.



## **Other Agreements**

### ***Non-Compete Agreement***

Our Company has not entered into any Non- compete Agreement as on the date of filing of this Draft Red Herring prospectus.

### ***Joint Venture Agreement***

Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Draft Red Herring prospectus.

### ***Strategic Partners***

Except as mentioned in this Draft Red Herring prospectus, Our Company does not have any strategic partners as on the date of this Draft Red Herring prospectus.

### ***Financial Partners***

Our Company does not have any financial partners as on the date of this Draft Red Herring prospectus.



## OUR MANAGEMENT

### Board of Directors

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification, Nationality & DIN	Date & term of Appointment	No. of Equity Shares held & % of Shareholding (Pre Issue Paid up Capital)	Other Directorships
1.	<p><b>Mr. Umesh Dhirajlal Nandani</b>  <b>Father's Name:</b> Mr. Dhirajlal Laxmidas Nandani  <b>Age:</b> 52 years  <b>Designation:</b> Chairman and Managing Director  <b>Address:</b> Shree Vallabh, 62-A, Panchavati Society, Panchavati Hall, Rajkot – 360002, Gujarat, India  <b>Experience:</b> 35 years  <b>Occupation:</b> Business  <b>Qualification:</b> 12<sup>th</sup>  <b>Nationality:</b> Indian  <b>DIN:</b> 00039757</p>	<p>Originally Appointed as Director w.e.f. September 12, 2006</p> <p>Re-designated as Managing Director and Chairman w.e.f. April 19, 2018 for a period of 5 years.</p>	<p>9,13,120 Equity Shares</p> <p>[11.25%]</p>	Nil
2.	<p><b>Mr. Deven Dipesh Nandani</b>  <b>Father's Name:</b> Late Dipesh Dhirajlal Nandani  <b>Age:</b> 20 years  <b>Designation:</b> Non-Executive Director  <b>Address:</b> "Rushikesh", Bunglow No.2, Parnakutir Society, Rajkot – 360005, Gujarat, India  <b>Experience:</b> 1 year  <b>Occupation:</b> Business &amp; Pursuing Business Management Education  <b>Qualification:</b> Pursuing BBA Final Year  <b>Nationality:</b> Indian  <b>DIN:</b> 07576542</p>	<p>Appointed as Non-Executive Director w.e.f. July 27, 2016</p>	<p>26,87,200 Equity Shares</p> <p>[33.10%]</p>	Nil



Sr. No.	Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification, Nationality & DIN	Date & term of Appointment	No. of Equity Shares held & % of Shareholding (Pre Issue Paid up Capital)	Other Directorships
3.	<p><b>Mr. Parin Umeshbhai Nandani</b>  <b>Father's Name:</b> Mr. Umesh Dhirajlal Nandani  <b>Age:</b> 35 years  <b>Designation:</b> Non-Executive Director  <b>Address:</b> "Shree Vallabh", 62-A, Panchavati Society, Main Road, Near Bhaktidham Temple, Near Panchavati Hall, Rajkot – 360005, Gujarat, India  <b>Experience:</b> 7 Years  <b>Occupation:</b> Business  <b>Qualification:</b> BBA- II<sup>nd</sup> Year  <b>Nationality:</b> Indian  <b>DIN:</b>02343309</p>	<p>Appointed as Non-Executive Director w.e.f. March 03, 2018</p>	<p>13,42,280 Equity Shares  [16.53%]</p>	<p>Pearl Furniture Private Limited</p>
4.	<p><b>Mr. Dayalal Harjivanbhai Kesharia</b>  <b>Father's Name:</b> Harjivandas Manjibhai Kesharia  <b>Age:</b> 53 years  <b>Designation:</b> Independent Director  <b>Address:</b> Flat No. 301, Ami Palace, 150 Feet Ring Road, 6/7 Royal Park, University Road, Rajkot, Gujarat – 360005, India  <b>Experience:</b> Approx 30 years  <b>Occupation:</b> Business  <b>Qualification:</b> B.Com  <b>Nationality:</b> Indian  <b>DIN:</b> 08114818</p>	<p>Appointed as Independent Director w.e.f. April 19, 2018 for a period of 5 years.</p>	<p>Nil</p>	<p>Nil</p>
5.	<p><b>Dr. Shweta Chirag Kathrani</b>  <b>Father's Name:</b> Mr. Hareshbhai Tribhovandas Lakhani  <b>Age:</b> 30 years  <b>Designation:</b> Independent Director  <b>Address:</b> Chaitanya Shilpi, 2-Royal Park, Kalawad Road, Rajkot, Gujarat – 360 005 - India  <b>Experience:</b> 5 years  <b>Occupation:</b> Practising Doctor [B.A.M.S]  <b>Qualification:</b> B.A.M.S  <b>Nationality:</b> Indian  <b>DIN:</b> 08114974</p>	<p>Appointed as Independent Director w.e.f. April 19, 2018 for a period of 5 years.</p>	<p>Nil</p>	<p>Nil</p>



## Brief Biographies of Directors

**Mr. Umesh Dhirajlal Nandani** is the Chairman and Managing Director of our Company. He has been on the Board of our Company since its incorporation. He is a visionary entrepreneur who has approx 35 years of experience in furniture industry. He has played a pivotal role in setting up of business of our Company. He currently oversees and controls overall business functions of our Company. Our Company has witnessed continuous growth under his guidance.

**Mr. Parin Umeshbhai Nandani** is the Non-Executive Director of our Company. He is third generation entrepreneur from the family and has a wide exposure of global trends in furniture industry. He is heading the sales & Marketing, institutionalized sales & B2B projects of our organization. Under his leadership, our company has fulfilled many government contracts, tenders as well as corporate projects.

**Mr. Deven Dipesh Nandani** is the Non-Executive Director of our Company. He is third generation entrepreneur from the family. He has 1 year of experience in Furniture industry. He is pursuing business management studies and also manages admin department of our company.

**Mr. Dayalal Harjivanbhai Kesharia** is an Independent Director of our Company. He has done graduation in commerce from Saurashtra University. He is having 30 years of experience. He is expertise Businessman of ground nuts processing, packing and selling at domestic as well as Export Markets.

**Dr. Shweta Chirag Kathrani** is an Independent Director of our Company. She holds bachelor degree of Ayurvedic Medicine and Surgery (B.A.M.S). She is practicing doctor in the field of Ayurvedic Medicine and surgery since last 5 years.

## Confirmations

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

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.

None of the above mentioned Directors are on the RBI list of willful defaulters as on the date of filling of this Draft Red Herring Prospectus.

Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and person in control of our Company has not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.

## Nature of any family relationship between our Directors

The Directors of our Company are related to each other within the meaning of section 2 (77) of the Companies Act, 2013. Details of which are as follows:

Sr. No.	Name of the Director	Relationship with other Directors
1.	Mr. Umesh Dhirajlal Nandani	Father of Mr. Parin Umeshbhai Nandani
2.	Mr. Parin Umeshbhai Nandani	Son of Mr. Umesh Dhirajlal Nandani





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

Except as disclosed under chapter titled “History and certain Corporate matters” beginning on page 147, we have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

### **Service Contracts**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

### **Details of Borrowing Powers of Directors**

Our Company has passed a special resolution in the Extra Ordinary General Meeting of the members held on March 27, 2018 authorizing the Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of Rs.1000 Crores (Rupees One thousand Crores Only).

### **Compensation of our Managing Director**

The compensation payable to our Managing Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

### **The following compensation has been approved for Managing Director:**

<b>Particulars</b>	<b>Mr. Umesh Dhirajlal Nandani</b>
Appointment/Change in Designation	Appointed since incorporation ; Re-designated as Chairman and Managing Director w.e.f. April 19, 2018
Current Designation	Chairman and Managing Director
Term of Appointment	5 years Not liable to Retire by rotation
Remuneration & Perquisites	Rs. 1,50,000/- per month
Compensation paid in the financial year 2017-18	Rs. 15.60 Lakhs

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

We have no bonus or profit sharing plan for our Directors.

### **Sitting Fees**

The Articles of Association of our Company provides for payment of sitting fees to Directors (other than Managing Director & Whole-time Directors), not exceeding Rs. 1.00 Lakh to be fixed by Directors from time to time, for attending a meeting of the Board or a Committee thereof.



## Shareholding of our Directors as on the date of this Draft Red Herring Prospectus

Sr. No.	Name of the Director	No. of Shares Held	Holding in % of Pre-issue Paid Up Capital
1.	Mr. Umesh Dhirajlal Nandani	9,13,120	11.25%
2.	Mr. Deven Dipesh Nandani	26,87,200	33.10%
3.	Mr. Parin Umeshbhai Nandani	13,42,280	16.53%
	<b>Total</b>	<b>49,42,600</b>	<b>60.88%</b>

*None of the Independent Directors of the Company hold any Equity Shares of Company as on the date of this Draft Red Herring Prospectus.*

*We have one Subsidiary Company as defined under Section 2(6) of the Companies Act, 2013. For details, please refer to Chapter titled “Our Subsidiary” beginning on page 173.*

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in our Company.

### **INTEREST OF DIRECTORS**

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. For further details, please refer chapter titled “Our Management” beginning on page 152.

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Directors are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to “Statement of Financial Indebtedness” and “Financial Information of the Company” beginning on pages 302 and 187 respectively.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section “Our Management” or the section titled “Financial information of the Company - Related Party Transactions” beginning on page 152 and 187 respectively and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

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

Except as mentioned hereunder our Directors do not have any other interest in any property acquired/rented by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of this Draft Red Herring Prospectus.



Sr. No.	Name of Director	Address of Property	Interest and Nature of interest
1.	Mr. Deven Dipesh Nandani	<u>Registered Office and Show Room</u>  Plot No. 6, Revenue Survey. No. 149, National Highway at Vavdi, Gondal Road, Rajkot-360004, Gujarat	Our Company has taken the said property on lease from our Directors vide Lease Agreement dated March 09, 2018 for a period of 15 years starting from March 31, 2018 a monthly rent of Rs. 1,25,000/- (Rupees One lakh Twenty Five Thousand Only). Escalation clause of 15% is applicable after every 3 years.

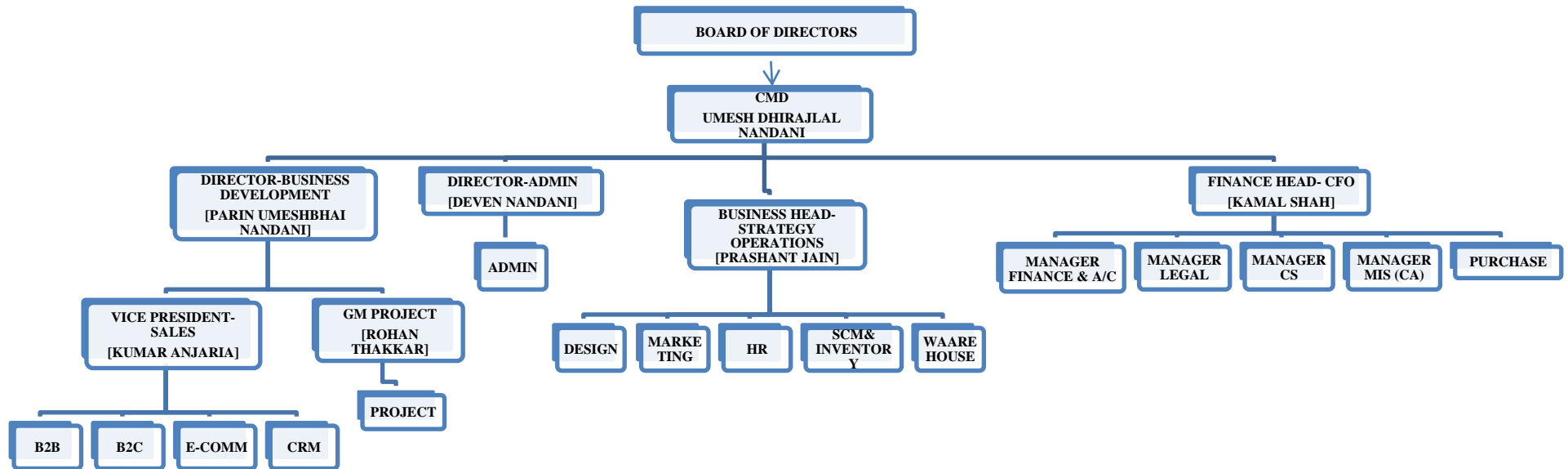
**Changes in Board of Directors in Last 3 Years:**

Sr. No.	Name	Date of Appointment / Re – Appointment	Reasons for Change
1.	Late Dipesh Dhirajlal Nandani	July 17, 2016.	Cessation from directorship Due to death.
2.	Mr. Deven Dipesh Nandani	July 27, 2016.	Appointed as Non-Executive
3.	Mr. Parin Umeshbhai Nandani	March 03, 2018	Appointed as Non-Executive Director
4.	Mr. Umesh Dhirajlal Nandani	April 19, 2018	Re-designated as Chairman and Managing Director
5.	Mr. Dayalal Harjivanbhai Kesharia	April 19, 2018	Appointed as Independent Director
6.	Dr. Shweta Chirag Kathrani	April 19, 2018	Appointed as Independent Director



## MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:-





## **COMPLIANCE WITH CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2009 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of NSE. The requirements pertaining to the Composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees, as applicable on us, have been complied with.

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

Our Board of Directors consist of Five (5) directors of which two (2) are Independent Directors, and we have One woman director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

### **1. Audit Committee**

Our Company has constituted an Audit Committee ("Audit Committee"), vide Board Resolution dated April 20, 2018, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with Regulation 18 of SEBI Listing Regulations, 2015 applicable upon listing of the Company's Equity shares on SME platform of NSE ("NSE Emerge"), The constituted Audit Committee comprises following members:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mr. Dayalal Harjivanbhai Kesharia	Chairman	Independent Director
Dr. Shweta Chirag Kathrani	Member	Independent Director
Mr. Parin Umeshbhai Nandani	Member	Non-Executive Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholders queries. 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 times in a year and not more than 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 members 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 Regulation, 2015 and Companies Act, 2013 shall be as under:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;



4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to:
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the 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;
17. 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;
18. 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;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.



Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor
- f) Statement of deviations:
  - Half Yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) SEBI Listing Regulation, 2015.
  - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) SEBI Listing Regulation, 2015.

## 2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Regulation 20 of SEBI Listing Regulation, 2015 vide Resolution dated April 20, 2018. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Parin Umeshbhai Nandani	Chairman	Non-Executive Director
Mr. Dayalal Harjivanbhai Keasharia	Member	Independent Director
Dr. Shweta Chirag Kathrani	Member	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. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
  - Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
  - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
  - Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
  - Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
  - Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.





- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreement as and when amended from time to time.

### 3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Regulation 19 of SEBI Listing Regulation, 2015 vide Resolution dated April 20, 2018. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Dr. Shweta Chirag Kathrani	Chairperson	Independent Director
Mr. Dayalal Harjivanbhai Kesharia	Member	Independent Director
Mr. Parin Umeshbhai Nandani	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. Role of Terms of Reference:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole Time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in



view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and

- To formulate and administer the Employee Stock Option Scheme.

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

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchange.

Ms. Krishna Subhashchandra Lodhiya, Company Secretary & Compliance Officer 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 & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of NSE. We shall comply with the requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the SME platform of NSE.

**KEY MANAGERIAL PERSONNEL**

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification	Age (Years)	Year of joining	Compensation paid for F.Y. ended 2018 (in Rs. Lakhs)	Overall experience (in years)	Previous employment
Mr. Umesh Dhirajlal Nandani <b>Designation</b> – Chairman and Managing Director <b>Educational Qualification</b> – 12 <sup>th</sup>	52	2006	15.60	28	Nil
Ms. Krishna Subhashchandra Lodhiya <b>Designation:</b> Company Secretary and Compliance Officer <b>Educational Qualification:</b> Company Secretary	26	2018	Nil	1	Nil
Mr. Kamal Manaharlal Shah <b>Designation:</b> Chief Financial Officer <b>Educational Qualification:</b> Inter CA	49	2018 (As CFO)	6.72	25	-Crystal Cook N Serve Products Pvt. Ltd Head - F & A - Adani Exports Ltd - Sr.



					Accountant - Poggen- Amp Powertronics Ltd - Dy. Manager F & A
Mr. Prashant Jain <b>Designation:</b> Business Head – Strategy & Operations <b>Educational Qualification:</b> MBA, B.Com	31	2013	7.80	5	Worked with ‘Twenty First Century Techno Products Pvt. Ltd.
Mr. Kumar Chhotubhai Anjaria <b>Designation:</b> Vice President - Sales <b>Educational Qualification:</b> Bachelor of Commerce	52	2011	14.04	7	Nil
Mr. Rohan Vinodchandra Thakkar <b>Designation:</b> General Manager – Project <b>Educational Qualification:</b> MMM	35	2011	12.00	10	Nil

#### BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL:

**Mr. Umesh Dhirajlal Nandani** is the Chairman and Managing Director of our Company. He has been on the Board of our Company since its incorporation. He is a visionary entrepreneur who has approx. 35 years of experience in furniture industry. He has played a pivotal role in setting up of business of our Company. He currently oversees and controls overall business functions of our Company. Our Company has witnessed continuous growth under his guidance.

**Ms. Krishna Subhashchandra Lodhiya** is Company Secretary & Compliance Officer of our Company. She is an associate member of the Institute of Company Secretaries of India. She is looking after secretarial matters and also helping for legal matters of our company.

**Mr. Kamal Manaharlal Shah** is the Chief Financial Officer of our company having experience of approx. 25 years in the field of finance, accounts and taxation. He is an expert in Risk Management, Liaisoning work and all other statutory work.

**Mr. Prashant Jain** is head of Strategy & operations of the company. He has experience of 5 years in the industry. He is an expert in Retail & franchise Business Expansion, Budgeting, SCM, Business Operations, Business forecast & Analysis, New Business Venturing, Brand Development, Buying & Merchandising, Design Development, Business reviews, Strategy Formation, Cost Management, Manpower Management, Vendor Development, Financial review, Developing Sops & Framing Company Policies.

**Mr. Kumar Chhotubhai Anjaria** is vice president-sales of our company. He has experience of approx. 25 years in hard core sales, Marketing, Team development & Administration. He has been associated with us for 7 years. He has expertise in Channel Sales, Branch Admin, MIS and PR.

**Mr. Rohan Vinodchandra Thakkar** is General Manager of our company. He has an experience of approx 14 years. He is expert in Institutional sales, B2B Sales Office and Home furniture, Exhibitions. He has been associated with us for 10 years. Company has achieved satisfactory level of business targets under his leadership.



We confirm that:

- a. All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- b. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- c. None of our KMPs except Mr. Umesh Dhirajlal Nandani, are part of the Board of Directors.
- d. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 31, 2018.
- e. Except for the terms set forth in the appointment letters and agreements, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- f. Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Red Herring Prospectus except as under:-

Sr. No.	Name of the KMP	No. of Shares held
1.	Mr. Umesh Dhirajlal Nandani	9,13,120
	<b>Total</b>	<b>9,13,120</b>

- h. Presently, we do not have ESOP/ESPS scheme for our employees.

#### **RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL**

None of the KMPs of our Company are related to each other within the meaning of section 2 (77) of the Companies Act, 2013.

#### **Payment of Benefits to Officers of our Company (*non-salary related*)**

Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

#### **Changes in the Key Managerial Personnel in last three years:**

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

Sr. No.	Name	Designation	Date of change	Change
1.	Mr. Umesh Dhirajlal Nandani	Chairman and Managing Director	April 19, 2018	Re-designated as Chairman and Managing Director
2.	Ms. Krishna Subhashchandra Lodhiya	Company Secretary & Compliance Officer	April 16, 2018	Appointed as Company Secretary & Compliance Officer
3.	Mr. Kamal Manaharlal Shah	Chief Financial Officer	April 16, 2018	Appointed as Chief Financial Officer



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

Apart from the shares held in our Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of our Company and to the extent of loans and advances made to or borrowed from our Company, none of our key managerial personnel are interested in our Company. For details, please refer section titled "*Financial information of the Company - Related Party Transactions*" beginning on page 187.

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

Our Directors do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of filing this Draft Red Herring Prospectus.

Except as provided in this Draft Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Red Herring Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For the details of unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to "*Annexure AB–Statement of Related Party Transaction*" page 238.

### **OTHER BENEFITS TO OUR KEY MANAGERIAL PERSONNEL**

Except as stated in this Draft Red Herring Prospectus, there are no other benefits payable to our Key Managerial Personnel.

### **EMPLOYEES**

The details about our employees appear under the paragraph titled "**Human Resource**" in Chapter titled "*Our Business*" beginning on page 117.






## OUR PROMOTERS & PROMOTER GROUP

### **Our Promoters:**

Mr. Umesh Dhirajlal Nandani, Mr. Deven Dipesh Nandani and Mr. Parin Umeshbhai Nandani are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, Mr. Umesh Dhirajlal Nandani holds 9,13,120 Equity Shares, Mr. Deven Dipesh Nandani holds 26,87,200 Equity Shares and Mr. Parin Umeshbhai Nandani holds 13,42,280 Equity Shares of our Company. Our Promoters and Promoter Group will continue to hold the majority of our post-issue paid-up equity share capital of our Company.

### ***Brief Profiles of our Promoters are as under:***

	<b>Mr. Umesh Dhirajlal Nandani</b>	
	<p><b>Mr. Umesh Dhirajlal Nandani</b> is the Chairman and Managing Director of our Company. He has been on the Board of our Company since its incorporation. He is a visionary entrepreneur who has approx. 35 years of experience in furniture industry. He has played a pivotal role in setting up of business of our Company. He currently oversees and controls overall business functions of our Company. Our Company has witnessed continuous growth under his guidance.</p>	
	<b>Driving License Number</b>	GJ0319880024597
	<b>Voter Identification Card No.</b>	GJ/04/017/087863
	<b>No. of Equity Shares held in PFL &amp; [% of Shareholding (Pre Issue)]</b>	9,13,120 Equity Shares aggregating to 11.25% of Pre Issue Paid up Share Capital
	<b>Other Interests</b>	<b>Directorships in other Companies:</b> Nil <b>Partnership Firm:-</b> M/s Parin Motors (20% Share)
	<b>Mr. Deven Dipesh Nandani</b>	
	<p><b>Mr. Deven Dipesh Nandani</b> is the Non-Executive Director of our Company. He is third generation entrepreneur from the family. He has 1 year of experience in Furniture industry. He is pursuing business management studies and also manages admin department of our company.</p>	
	<b>Driving License Number</b>	GJ0320140010992
	<b>Voter Identification Card No.</b>	NA
	<b>No. of Equity Shares held in PFL &amp; [% of Shareholding (Pre Issue)]</b>	26,87,200 Equity Shares aggregating to 33.10% of Pre Issue Paid up Share Capital
	<b>Other Interests</b>	<b>Directorships in other Companies:</b> Nil <b>Partnership Firm:-</b> M/s. Prince Furniture
	<b>Mr. Parin Umeshbhai Nandani</b>	
	<p><b>Mr. Parin Umeshbhai Nandani</b> is the Non-Executive Director of our Company. He is third generation entrepreneur from the family and has a wide exposure of global trends in furniture industry. He is heading the sales &amp; Marketing, institutionalized sales &amp; B2B projects of our organization. Under his leadership, our company has fulfilled many government contracts, tenders as well as corporate projects.</p>	
	<b>Driving License Number</b>	GJ03/035211/08



	<b>Voter Identification Card No.</b>	WQT2670040
	<b>No. of Equity Shares held in PFL &amp; [% of Shareholding (Pre Issue)]</b>	13,42,280 Equity Shares aggregating to 16.53% of Pre Issue Paid up Share Capital
	<b>Other Interests</b>	<b>Directorships in other Companies:</b> Pearl Furniture Private Limited <b>Partnership Firm:-</b> M/s Parin Motors (40%)

For brief biographies of our Promoters, please refer to Chapter titled “Our Management” beginning on page 152.

### **Confirmations/Declarations**

In relation to our individual Promoters, Mr. Umesh Dhirajlal Nandani, Mr. Deven Dipesh Nandnai and Mr. Parin Umeshbhai Nandani, our Company confirms that the PAN, bank account numbers and passport numbers (as available) have been submitted to National Stock Exchange of India Limited at the time of filing of this Draft Red Herring Prospectus.

### **Undertaking / Confirmations**

None of our Promoters or Promoter Group has been (i) prohibited or debarred 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 (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of our Promoters is 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 nor the relatives of our Promoters (as defined under the Companies Act) have been declared as a wilful 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.

None of our Promoters or Promoter Group have interest in any company that have become sick Companies under the erstwhile SICA or under the present IBC law and no application has been made in respect of any of them, to the Registrar of Companies for striking off their names. Further no winding up proceedings have been initiated against the Promoters or the Group Company except as stated under chapters “**Risk Factors**” and “**Outstanding Litigations and Material Developments**” on pages 20 and 312 respectively.

### **Common Pursuits/ Conflict of Interest**

Our group company and our subsidiary company stated in the chapter titled “Our Group Company” and “Our Subsidiary” beginning on page 181 and 173 respectively, are engaged in the business of furniture, which to an extent, can be considered as common pursuits & conflict of interest amongst those companies and our Company. Further, we have not entered into any non-compete agreement with the said entities. We cannot assure that our Promoters who have common interest in said entity will not favour the interest of the said entity. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Promoter Group entities in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other entities in which our Promoters have interests. There can be no assurance that our Promoters or our Promoter Group entities or members of the Promoter Group 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 present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

We cannot assure that our Promoters or Promoter Group will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said Entity will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company. For further details, please see Risk Factors on page 20. For details of our Promoter Group and Group Company refer to Section titled ***“Our Promoters and Promoter Group”*** & ***“Our Group Company”*** on page 167 and 181 respectively.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

### **Interest of our Promoters**

Interest of the Promoters in our Company as stated below:

#### ***Interest in promotion and shareholding of our Company:***

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. As on the date of this Draft Red Herring Prospectus, our Promoters, Mr. Umesh Dhirajlal Nandani, Mr. Deven Dipesh Nandani and Mr. Parin Umeshbhai Nandani collectively hold 49,42,600 Equity Shares in our Company i.e. 60.88% of the pre issue paid up Equity Share Capital of our Company. Our Promoters may also be deemed to be interested to the extent of their remuneration, as per the terms of their appointment and reimbursement of expenses payable to them and unsecured loan given by them to our Company, if any.

For details regarding the shareholding of our Promoters in our Company, please see ***“Capital Structure”*** on page 66.

#### ***Interest in the property of our Company:***

Our Directors do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of filing this Draft Red Herring Prospectus.

#### ***In transactions for acquisition of land, construction of building and supply of machinery***

Except as stated in the Chapter titled ***“Financial Information of the Company – Annexure AB Related Party Transactions”*** and ***“Our Business”*** beginning on page 187 and 117, none of our promoters or promoter group entities are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

#### ***Other Interests in our Company***

For transactions in respect of loans and other monetary transactions entered in past please refer ***Annexure AB*** on ***“Related Party Transactions”*** forming part of ***“Financial Information of our Company”*** beginning on page 187.

Further, our promoters may be interested to the extent of personal guarantees given by them in favour of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to ***“Statement of Financial Indebtedness”*** and ***“Financial Information of our Company”***



beginning on page 302 and 187 respectively.

**Payment or Benefits to our Promoters and Promoter Group during the last 2 years:**

For details of payments or benefits paid to our Promoters and promoter group, please refer to the paragraph *“Compensation of our Managing Director”* in the chapter titled *“Our Management”* beginning on page 152 also refer Annexure AB on *“Related Party Transactions”* forming part of *“Financial Information of our Company”* beginning on page 187 and paragraph on *“Interest of Promoters”* in chapter titled *“Our Promoters and Promoter Group”* beginning on page 167.

**Companies / Firms with which our Promoters have disassociated in the last (3) three years**

Except as stated below, 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 Draft Red Herring Prospectus.

Sr. No.	Name of the Promoter	Name of the company	Date of Cessation
1.	Umesh Dhirajlal Nandani	P.P. Furniture Private Limited Cessation of directorship	March 16, 2018
2.	Deven Dipesh Nandani	P.P. Furniture Private Limited Cessation of directorship	March 16, 2018

**Other ventures of our Promoters**

Save and except as disclosed in this section titled *“Our Promoters & Promoter Group”* and *“Our Group Company”* beginning on page 167 and 181 respectively, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

**Litigation details pertaining to our Promoter**

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”* beginning on page 312.

**Related Party Transactions**

For the transactions with our Promoter Group entities please refer to section titled *“Annexure - AB” Related Party Transactions”* in the chapter titled *“Financial Information of our Company”* beginning on page 187.

Except as stated in *“Annexure - AB” Related Party Transactions”* in the chapter titled *“Financial Information of our Company”* beginning on page 187, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

**Nature of family relationship between our Promoters:**

The Promoters of our Company are related to each other within the meaning of section 2 (77) of the Companies Act, 2013. Details of which are as follows:

Sr. No.	Name of the Promoters	Relationship with other Promoters
1	Mr. Umesh Dhirajlal Nandani	Father of Mr. Parin Umeshbhai Nandani
2.	Mr. Parin Umeshbhai Nandani	Son of Mr. Umesh Dhirajlal Nandani



## OUR PROMOTER GROUP

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

### 1. Natural Persons who are part of the Promoter Group

As per Regulation 2(1)(zb) (ii) of the SEBI (ICDR) Regulations, 2009, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters) are as follows:

<b>Relationship with Promoter</b>	<b>Mr. Umesh Dhirajlal Nandani</b>
Father	Late. Dhirajlal Laxmidas Nandani
Mother	Indiraben Dhirajlal Nandani
Spouse	Nehaben Umeshkumar Nandani
Brother	1. Late. Dipesh Dhirajlal Nandani 2. Bindesh Dhirajlal Nandani
Sister	1. Binaben Ketankumar Hirani 2. Hinaben Narendrakumar Khakhkhar
Son	1. Parin Umeshbhai Nandani 2. Darshil Umeshbhai Nandani
Daughter	NA
Spouse's Father	Late. Ratilal Motilal Bhimani
Spouse's Mother	Late. Dhiraben Ratilal Bhimani
Spouse's Brother	1. Rajendra Ratilal Bhimani 2. Mukesh Ratilal Bhimani
Spouse's Sister	1. Bhavnaben K. Kariya 2. Pritiben D. Chotai 3. Anjanaben S. Saraiya

<b>Relationship with Promoter</b>	<b>Mr. Deven Dipesh Nandani</b>
Father	Late. Dipeshkumar Dhirajlal Nandani
Mother	Late. Avniben Dipeshkumar Nandani
Spouse	NA
Brother	NA
Sister	NA
Son	NA
Daughter	NA
Spouse's Father	NA
Spouse's Mother	NA
Spouse's Brother	NA
Spouse's Sister	NA

<b>Relationship with Promoter</b>	<b>Mr. Parin Umeshbhai Nandani</b>
Father	Umesh Dhirajlal Nandani
Mother	Nehaben Umeshkumar Nandani
Spouse	Pooja Parin Nandani
Brother	Darshil Umeshkumar Nandani
Sister	NA
Son	Yuvraj Parin Nandani
Daughter	NA
Spouse's Father	Jitendra Harjivan Thakkar
Spouse's Mother	Rajeshri Jitendra Thakkar



Spouse's Brother	NA
Spouse's Sister	Dipti Karan Raja

Our Promoters, Mr. Umesh Dhirajlal Nandani vide undertaking dated May 16, 2018, has declared that Mr. Bindesh Dhirajlal Nandani does not form part of the promoter group of the company. Currently, our company does not maintain any financial relationship, dealings, arrangements with Mr. Bindesh Dhirajlal Nandani in the normal course. Further, Mr. Bindesh Dhirajlal Nandani does not have any material interest in the shareholding of our company and is not involved in any business decision of the company as on date of this Draft Red Herring Prospectus. Accordingly, the disclosures of entities of Mr. Bindesh Dhirajlal Nandani are not included under the disclosure relating to promoter group as mentioned on page 167.

## 2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(1)(zb) (iv) of the SEBI (ICDR) Regulations, 2009, the following entities would form part of our Promoter Group:

Sr. No.	Nature of Relationship	Entity
1	Any Body corporate in which 10% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relatives is a member	A. P. P. Furniture Pvt. Ltd. B. Umesh Nandani HUF C. Dipesh D. Nandani HUF
2	Any company in which a company mentioned in (1) above, holds 10% or more, of the equity share capital	-
3	Any HUF or firm in which the aggregate shareholding of the Promoters and their immediate relatives is equal to or more than 10% of the total	A. Dhirajlal Laxmidas Nandani HUF (Karta Bindesh Dhirajlal Nandani)  B. Deven Impex - Prop. Deven Dipesh Nandani  C. Prince Furniture (Partnership Firm) 1. Deven Dipesh Nandani 2. Meera Bindesh Nandani  D. Parin Motors (Partnership Firm) 1. Umesh Dhirajlal Nandani 2. Parin Umeshbhai Nandani 3. Darshil Umesh Nandani  E. Paradise Furniture - Prop. Nehaben Umesh Nandani

### OTHER PERSONS INCLUDED IN PROMOTER GROUP:

In terms of Regulation 2(1) (zb) (v) of SEBI (ICDR) Regulations, 2009, no other persons are included in our Promoter Group.



## OUR SUBSIDIARY

As on date of this Draft Red Herring prospectus, our Company has one Subsidiary Company, namely Pearl Furniture Private Limited. The details of our Subsidiary are provided below:

Pearl Furniture Private Limited was incorporated on February 01, 2013 under the provision of Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Registered Office of the Company is situated at Survey No. 26, Shapar Main Road, Village: Shapar, Taluka – Kotada sangani, Dist – Rajkot, Gujarat 360024.

The details of our Subsidiary Company are as below:-

<b>Main Object</b>	To manufacture, sell, purchase, import, export all types of furniture, fixtures, wooden packing cases, wooden domestic appliances, windows, Doors, articles for construction work, houses, carriages, sports equipments, chairs, stage materials, exhibition materials, coaches, furniture made of wood, metal, plastic, fibre, jute, leather, cane, rubber, foam or any other substances and their derivatives, to carry on business as timber merchant, to buy, sell, process, prepare for market, import, export and deal in timber and woods of all kinds.	
<b>Date of Incorporation</b>	February 1, 2013	
<b>CIN</b>	U36100GJ2013PTC073483	
<b>PAN</b>	AAHCP0072H	
<b>Registered Office Address</b>	Survey No.26, Shapar Road Village-Shapar Taluka Kotda Sangani, Rajkot – 360 024	
<b>Board of Directors*</b>	<b>Name</b>	<b>DIN</b>
	Parin Umeshbhai Nandani	02343309
	Darshil Umeshbhai Nandani	07576521

### Business

Our Subsidiary is engaged in the manufacturing of wide and exclusive range of furniture and lifestyle products consisting of home furniture, office furniture, hospital furniture, institutional furniture and education furniture to cater a wide range of preferences & consumer segment.

Our Subsidiary has well established manufacturing unit located at Survey No. 26, Shapar Main Road, Village, Shapar, Taluka – Kotada Sangani, Dist – Rajkot-360024, having equipment and design facility to manufacture various combination and size of products as per specification and needs of the customers. It is equipped with the facilities to execute all types of manufacturing activities such as panel cutting, edge bidding, post forming, painting line, fabrication, moulding, cutting and polishing & packaging, etc.

*Manufacturing facility and Registered Office of Our Subsidiary:*



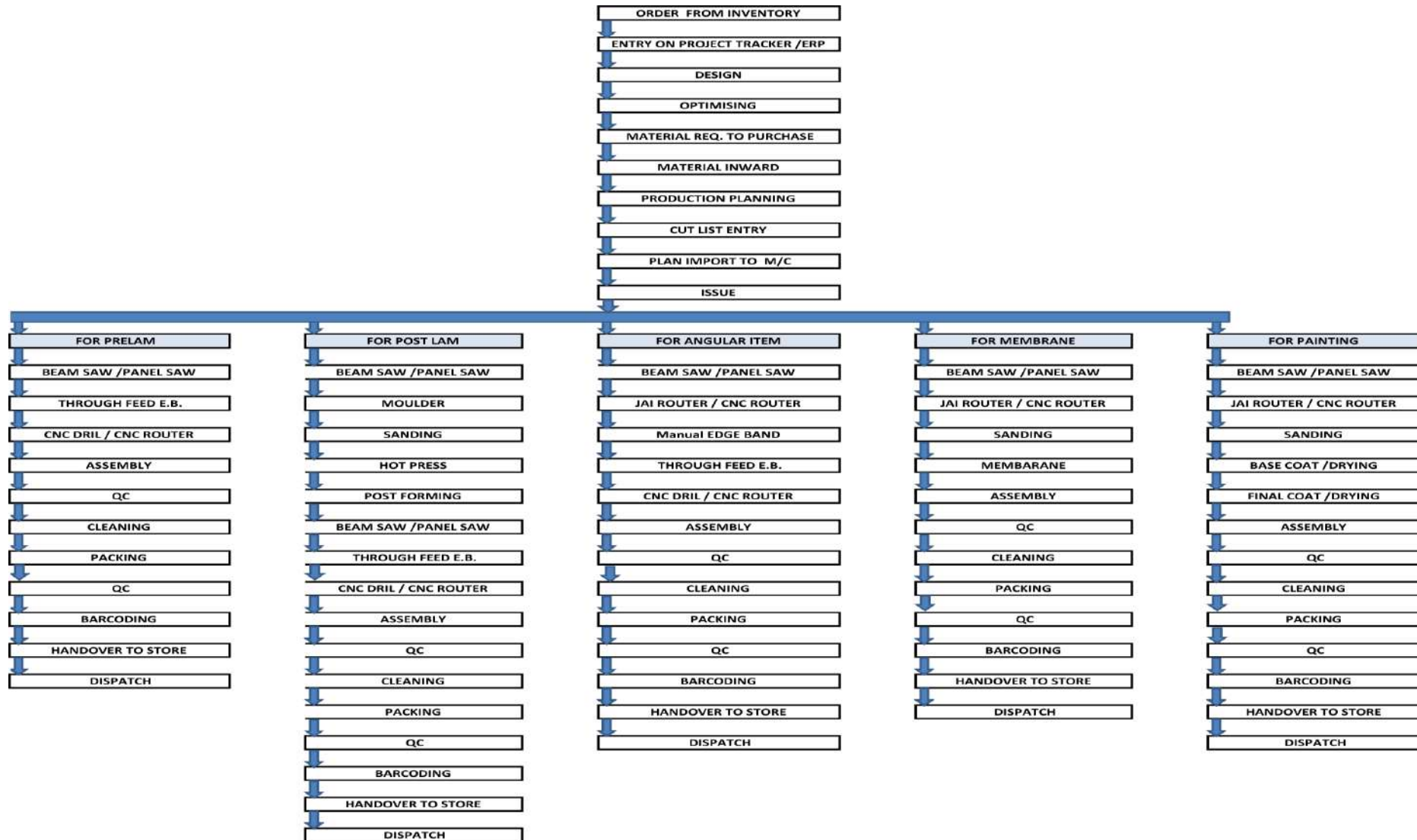
Our manufacturing process is broadly classified into the following two main divisions:

- Wooden Division
- Metal Division





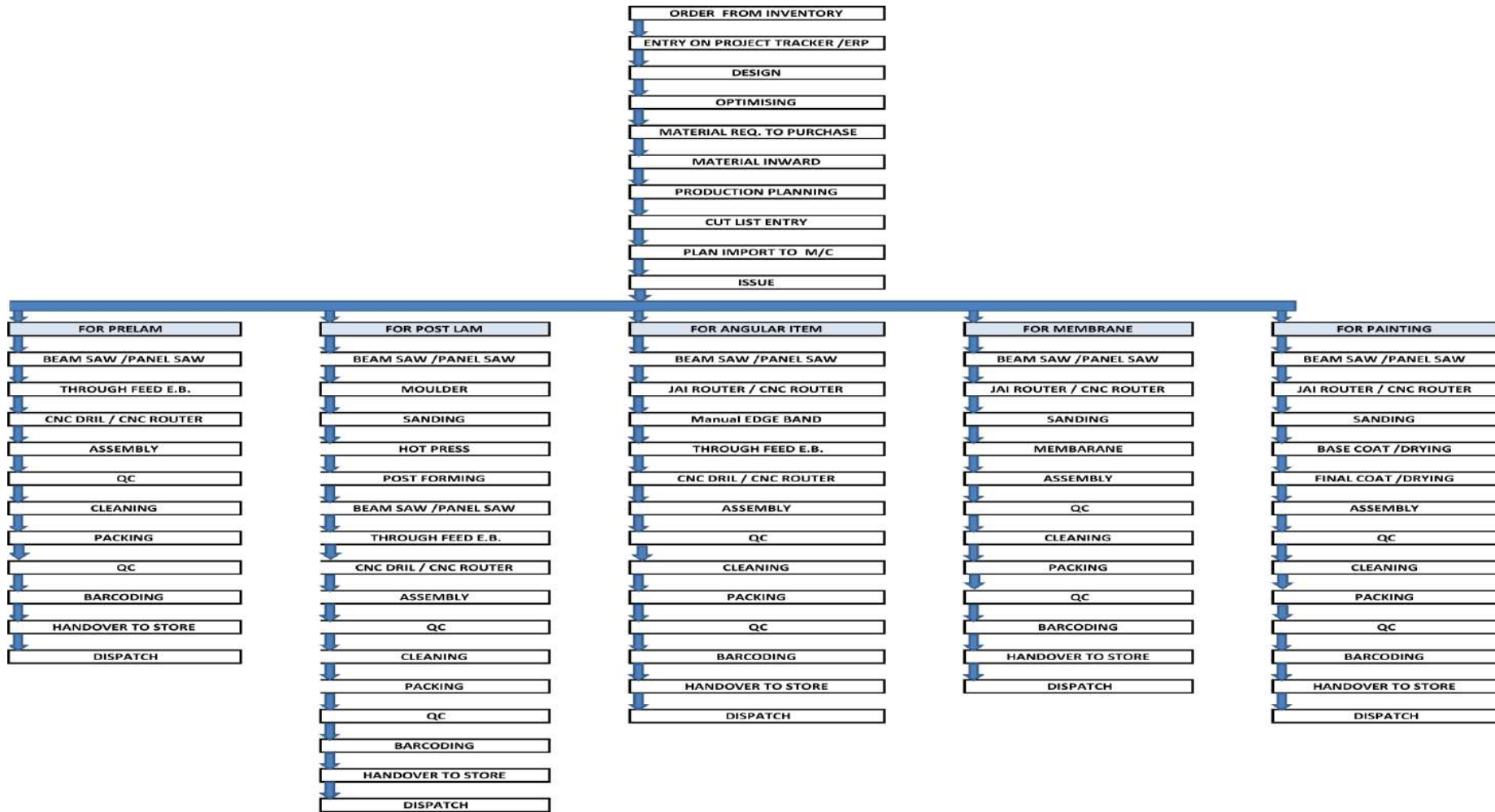
I. **Wooden Division** :The Manufacturing process under wooden division can be summarized as follows:







II. METAL DIVISION The Manufacturing process under metal division can be summarized as follows:



**Major Plant & Machinery:**



**CNC PANEL CUTTING MACHINING CENTRE BEAM SAW (SECTOR 370)**



**AUTOMATIC THROUGH FEED EDGE BANDING MACHINE (JADE 340)**



**MULTI BORING CNC MACHINE ROUTER (NBX 102)**



**CNC CONTROLLED PRO.CEN - NMC 112 PLUS**



**J-2400 POST FORM**



**J-1252 VACUUM MEMBRANE PRESS**



**J-3000 (MANUAL) CURVILINEAR EDGE BANDER**



**J-3200 PANEL SAW**



**J-3400 SPINDLE MOULDER S-N-T  
(WITH SLIDING & TILTING FACILITY)**



**SCISSOR LIFT**



**DUST COLLECTION SYSTEM**



**AIR COMPRESSOR  
UP5-11CTAS-8**



**TAPER END FORMING MACHINE GM-50**

**Capital Structure:**

<b>Particulars</b>	<b>No. of Equity Shares of face value of Rs. 10 each</b>
Authorised Equity Share Capital	20,00,000
Issued, subscribed and paid-up equity share capital	19,30,000



### Shareholding Pattern:

Shareholding Pattern of as on the date of this Draft Red Herring prospectus is as follows:

S. No.	Name of the Equity Shareholder	No. of Shares held	% of Shareholding
1.	Mr. Parin Umeshbhai Nandani	6,000	0.31
2.	Mr. Deven Dipesh Nandani	12,000	0.62
3.	Mrs. Nehaben Umeshbhai Nandani	6,000	0.31
4.	Mr. Darshil Umeshbhai Nandani	6,000	0.31
5.	Parin Furniture Limited	19,00,000	98.45
	<b>Total</b>	<b>19,30,000</b>	<b>100%</b>

### Nature and extent of interest of our Promoter

S.No.	Name of the Equity Shareholder	No. of Shares held	% of Shareholding
1	Mr. Parin Umeshbhai Nandani	6,000	0.31
2	Mr. Deven Dipesh Nandani	12,000	0.62
	<b>Total</b>	<b>18,000</b>	<b>0.93</b>

Further, Mr. Parin Umeshbhai Nandani holds directorship in Pearl Furniture Private Limited.

### Nature and Extent of Interest of our Subsidiary Company

Except as mentioned under Related Party Transactions, *Annexure AB - Related Party Transactions*” beginning on page 238 under Chapter titled *“Financial Information of the Company”* there is no business interest between our Company and our Subsidiary.

### Accumulated profits or losses not accounted for by our Company

There are no accumulated profits or losses of Pearl Furniture Private Limited not accounted for by our Company.

### Loss making / Negative Net worth Company

Our Subsidiary Company has not made any loss or has negative net worth in the last three fiscal years.

### Common Pursuits:

Our Subsidiary Company is engaged in the manufacturing of Furniture which is considered as common pursuit. We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

### Listing

Pearl Furniture Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years.

It has not become a sick Company under the meaning of SICA nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.



*Sale or purchases exceeding 10% in aggregate of the total sales or purchases of our Company*

Other than as provided in **Financial Statements** on page 187 there have been no sales or purchases between our Company and Subsidiaries which in aggregate exceed in value 10% of the total sales or purchases of our Company as per our standalone financial information.

*Sale or purchase of shares of our Subsidiaries in the last six months*

Except as disclosed below, none of our promoters, members of our Promoter Group, our Directors and their relatives (as defined under the Companies Act 2013) have sold or purchased equity shares of our Subsidiaries in their personal capacity during the six months preceding the date of this Draft Red Herring Prospectus.

<b>Date of Allotment / Transfer</b>	<b>Name of Shareholder</b>	<b>Party Category</b>	<b>Nature of Transactions</b>	<b>Price</b>	<b>Number of Shares Transacted</b>
March 31, 2018	Mr. Parin Umeshbhai Nandani	Promoter	Transfer of share by way of Gift	-	3,000
March 31, 2018	Mrs. Nehaben Umeshbhai Nandani	Promoter Group	Transfer of share by way of Gift	-	3,000
March 31, 2018	Mr. Darshil Umeshbhai Nandani	Promoter Group	Acquisition of share by way of Gift	-	6,000



## OUR GROUP COMPANY

As per the SEBI ICDR Regulations, for the purpose of identification of Group Companies, our Company has considered companies covered under the applicable accounting standard i.e.,(AS-18) issued by the Institute of Chartered Accountants of India as per the Restated Financial Statements of our Company. Further, pursuant to a resolution of our Board dated April 16, 2018 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if such company fulfils both the below mentioned conditions :-

- i. Such company forms part of the Promoter Group of our Company in terms of Regulation 2(1)(z)(b) of the SEBI ICDR Regulations;
- ii. Companies in which, the investment in the form of equity or loan by the Company exceeds 10% of the net worth of our Company for the last audited financial year; and
- iii. 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 revenue of the company for the last audited financial year.

Based on the above and other than our Subsidiary Company as described in chapter titled “History and certain other Corporate Matters” beginning on page 147, our Company has following “Group Company” in terms of the definition provided as above, as on date of this Draft Red Herring Prospectus:-

### 1. P.P. Furniture Private Limited

<b>Main Object</b>	To manufacture, sell, purchase, import, export all types of furniture, fixtures, wooden packing cases, wooden domestic appliances, windows, doors, articles for construction work, houses, carriages, sports equipments, chairs, stage materials, exhibition materials, coaches, furniture made of metal, plastic, fibre, jute, leather, cane, rubber, foam or any other substances and their derivatives, to carry on business as timber merchant, to buy sell, process, prepare for market, manipulate, import, export and deal in timber and woods of all kinds.		
<b>Date of Incorporation</b>	October 26, 2007		
<b>CIN</b>	U36100GJ2007PTC084312		
<b>PAN</b>	AAECP4159L		
<b>Registered Office Address</b>	“Shree Vallabh”, 62/A, Panchvati Society, Nr. Panchvati Hall, Rajkot – 360001, Gujarat-India		
<b>Board of Directors*</b>	<b>Name</b>	<b>DIN</b>	
	Jay Nandani Bindesh	08098247	
	Mira Bindesh Nandani	08098260	
	<i>(Rs. in Lakhs, rounded off except per share data)</i>		
<b>Audited Financial Information</b>	<b>For the year ended</b>		
	<b>March 31, 2017**</b>	<b>March 31, 2016**</b>	<b>March 31, 2015</b>
<b>Paid Up Equity Share Capital</b>	25.00	25.00	25.00
<b>Reserves and Surplus</b>	283.16	266.49	254.80
<b>Net worth</b>	308.16	291.49	279.80
<b>Net asset value per share (Rs.)</b>	123.26	116.60	111.92

\* As on date of this Draft Red Herring Prospectus





There are no significant notes of the auditors in relation to the aforementioned financial statements for the last two financial years.

**Shareholding Pattern:**

Shareholding Pattern as on the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of the Equity Shareholder	No. of Shares held	% of Shareholding
1	Deven Dipesh Nandani	1,00,000	40.00%
2	Umesh Dhirajlal Nandani	50,000	20.00%
3	Darshil Umeshbhai Nandani	50,000	20.00%
4	Parin Umeshbhai Nandani	50,000	20.00%
	<b>Total</b>	<b>2,50,000</b>	<b>100.00%</b>

**Nature and extent of interest of our Promoters**

S.No.	Name of the Equity Shareholder	No. of Shares held	% of Shareholding
1	Umesh Dhirajlal Nandani	50,000	20.00%
2	Deven Dipesh Nandani	1,00,000	40.00%
3	Parin Umeshbhai Nandani	50,000	20.00%
	<b>Total</b>	<b>2,00,000</b>	<b>80.00%</b>

**Loss making / Negative Net worth Company**

Our Group Company has not made any loss or has negative net worth during the last 5 years.

**Defunct Group Companies:-**

Our Group Company has not remained defunct and no application has been made to the RoC for striking off the name of P.P. Furniture Private Limited. during the five years preceding the date of this Draft Red Herring Prospectus.

**Sick company and winding up:-**

Our Group Company does not fall under the definition of sick companies under the erstwhile SICA and none of them are under winding up. Further, there are no pending proceedings under the Insolvency and Bankruptcy Code, 2016 in respect of our Group Company.

**Nature and Extent of Interest of Group Company**

**a) In the promotion of our Company:**

Our Group Company does not have any interest in the promotion of our Company. For details relating to shareholding or any other business interest, please refer to chapter titled “*Capital Structure*” on page 66 and “*Financial Information of the Company*” - Annexure AB- *Related party Transactions* on page 187.

**b) In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with stock exchange:**

Our Group Company does not have any interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with Stock Exchange.





**c) In transactions for acquisition of land, construction of building and supply of machinery**

Our Group Company is not interested in any transactions for the acquisition of land, construction of building or supply of machinery

**Common Pursuits/ Conflict of Interest amongst the Group Companies with our Company**

P. P. Furniture Private Limited is engaged in the trading business of all kinds of furniture items, which is considered as common pursuits and conflict of interest amongst P.P. Furniture Private Limited and our Company.

As on date of this Draft Red Herring Prospectus, we cannot assure that our Promoters, Promoter Group or Group Company will not promote any new activity /entity in the similar line of business. We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

**Related business transaction within the Group and their significance on the financial performance of the company:**

For details relating to the business transactions within the Group Company and their significance on the financial performance of the Company see the chapter titled "*Financial Information of the Company – Annexure AB - Related Party Transactions*" on page 187.

**Sales / Purchase between our Company and Group Company:**

For details relating to sales or purchases between our Company and any of our Group Company exceeding 10% of the sales or purchases of our Company see the chapter titled "*Financial Information of the Company– Annexure AB - Related Party Transactions*" on page 187.

**Business Interests amongst our Company and Group Companies**

Except as mentioned under Related Party Transactions, *Annexure AB - Related Party Transactions*" beginning on page 238 under Chapter titled "*Financial Information of the Company*" there is no business interest amongst our Company and Group Company.

**Undertaking/confirmations**

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been

- i. 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
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- iii. None of our Promoters, person in control of our Company 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.
- iv. Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group Companies /entities have been declared as a willful defaulter as per SEBI ICDR Regulations and there are no violations of securities laws committed by them or any



entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

- v. None of our Promoters, Promoter Group or the Group Company has become sick Companies under the erstwhile SICA or under the present IBC law and no application has been made in respect of any of them, to the Registrar of Companies for striking off their names. Further no winding up proceedings have been initiated against the Promoters or the Group Company.

### **Litigation**

For details relating to the legal proceedings involving the Group Company, see the section titled “*Outstanding Litigation and Material Developments*” on page 312.



## **RELATED PARTY TRANSACTIONS**

For details of related party transactions of our Company as per the requirements under Accounting Standard 18 —*Related Party Disclosures* issued by the Institute of Chartered Accountants of India and as reported in the Restated Consolidated Financial Statements and Restated Standalone Financial Statements, refer —*Financial Statements – Annexure AB – Consolidated Related Party Transaction as Restated* on page 293 and —*Financial Statements – Annexure AB – Standalone Related Party Transaction as Restated* on page 238.



## **DIVIDEND POLICY**

Under the Companies Act, 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.



**SECTION V – FINANCIAL INFORMATION  
FINANCIAL STATEMENTS AS RESTATED**

**INDEPENDENT AUDITOR’S REPORT ON RESTATED STANDALONE FINANCIAL STATEMENTS  
OF “PARIN FURNITURE LTD.”**

(As required by Section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,  
The Board of Directors,  
**PARIN FURNITURE LTD.**  
Plot No. 6, Revenue Survey No. 149,  
National Highway,  
At Vavdi, Gondal Road,  
Rajkot, Gujarat, India, 360004.

Dear Sirs,

**Report on Restated Standalone Financial Statements**

1. We have examined, as appropriate (refer paragraphs 3 and 4 below), the attached Restated Standalone Financial Statements of **PARIN FURNITURE LTD.** (hereinafter referred as “the Company”) as at 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 and the related Restated Standalone Statement of Profit & Loss for each of the financial years 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 and Restated Standalone Statement of Cash Flow for each of the financial years ended 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 “Restated Standalone Summary Statements” or “Restated Standalone Financial Statements”). These Restated Standalone Summary Statements have been prepared by the company and approved by the Board of Directors of the Company in connection with Initial Public Offering (IPO) of Equity Shares on SME Emerge Platform of National Stock Exchange of India Limited (“NSE”)
2. These Restated Standalone Summary Statements have been prepared in accordance with the requirements of:
  - i) Section 26 of Companies Act, 2013 (hereinafter referred to as the “Act”) read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended;
  - ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI Regulations”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and related amendments / clarifications made thereto from time to time;
  - iii) The terms of reference to our engagements with the Company, requesting us to examine the standalone financial statements referred to above and proposed to be included in the Draft offer Document / offer Document of the Company in connection with its proposed initial public offer of equity shares on Emerge Platform of National Stock Exchange of India Limited (“NSE”) (“IPO” or “SME IPO”) and



- iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ('ICAI') ("Guidance Note")
3. The Restated Standalone Summary Statements of the Company have been extracted by the Management from the Audited Standalone Financial Statements of the Company for the financial years ended 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. Audit of the Standalone Financial statements for the years ended 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 has been conducted by Company's Statutory Auditors, M/s Bhavin Associates, Chartered Accountants (F. R. No. 101383W).

Further, Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2018 have been re-audited by us as required under the SEBI ICDR Regulations. This report, in so far as it relates to the amounts included for the financial years ended 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 were audited by the Statutory Auditors M/s Bhavin Associates, Chartered Accountants (F. R. No. 101383W) is based on the audited standalone financial statements of the Company and whose Auditor's Reports have been relied upon by us for the said periods.

5. In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Standalone Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (the 'ICAI') and the terms of our engagement agreed with you, we report that:
- (i) The "Restated Standalone Statement of Assets and Liabilities" as set out in **Annexure I** to this report, of the Company as at 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 are prepared by the Company and approved by the Board of Directors. These Standalone Statement of Assets & Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual standalone financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Standalone Summary Statements as set out in **Annexure IV** to this Report.
- (ii) The "Restated Standalone Statement of Profit & Loss" as set out in **Annexure II** to this report, of the Company for the financial years ended 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 are prepared by the Company and approved by the Board of Directors. These Standalone Statement of Profit & Loss, as restated have been arrived at after making such adjustments and regroupings to the individual standalone financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Standalone Summary Statements as set out in **Annexure IV** to this Report.
- (iii) The "Restated Standalone Statement of Cash Flow" as set out in **Annexure III** to this report, of the Company for the financial years ended 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 are prepared by the Company and approved by the Board of Directors. These Standalone Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual standalone financial statements of the Company, as in our opinion were appropriate and more fully



described in Significant Accounting Policies and Notes to the Restated Standalone Summary Statements as set out in **Annexure IV** to this Report.

6. Based on the above and according to information and explanations given to us, and also as per the reliance placed on the reports submitted by the statutory auditors M/s Bhavin Associates, Chartered Accountants (F. R. No. 101383W) for the respective periods / years, we are of the opinion that the Restated Standalone Financial Statements have been made after incorporating:
  - a) Adjustments if any, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods.
  - b) Adjustments for prior period and other material amounts, if any in the respective financial years to which they relate and there are not qualifications which require adjustments.
  - c) There are no exceptional and extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments.
  - d) These Profits / (Losses) have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regroupings as in our opinion are appropriate and are to be read in accordance with Significant Accounting Policies and Notes to the Restated Standalone Summary Statements as set out in **Annexure IV** to this Report.
  
7. We have examined the following regrouped/ rearranged standalone financial information relating to the Company, proposed to be included in the Draft offer Document / offer Document ("Offer Document"), as approved by the Board of Directors of the Company and attached to this report for the financial years 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.
  - (i) Restated Standalone Statement of Share Capital enclosed as **Annexure A**
  - (ii) Restated Standalone Statement of Reserves & Surplus enclosed as **Annexure B**
  - (iii) Restated Standalone Statement of Long Term Borrowings enclosed as **Annexure C**
  - (iv) Restated Standalone Statement of Principal Terms of Secured Loans And Assets Charged As Security (**Annexure CF1**)
  - (v) Restated Standalone Statement of Principal Terms of Unsecured Loans (**Annexure CF2**)
  - (vi) Restated Standalone Statement of Other Non-Current Liabilities enclosed as **Annexure D**
  - (vii) Restated Standalone Statement of Long Term Provisions enclosed as **Annexure E**
  - (viii) Restated Standalone Statement of Short Term Borrowings enclosed as **Annexure F**
  - (ix) Restated Standalone Statement of Trade Payables enclosed as **Annexure G**
  - (x) Restated Standalone Statement of Other Current Liabilities enclosed as **Annexure H**
  - (xi) Restated Standalone Statement of Short Term Provisions enclosed as **Annexure I**
  - (xii) Restated Standalone Statement of Fixed Assets enclosed as **Annexure J**
  - (xiii) Restated Standalone Statement of Non-Current Investments enclosed as **Annexure K**
  - (xiv) Restated Standalone Statement of Deferred Tax Assets enclosed as **Annexure L**
  - (xv) Restated Standalone Statement of Long Term Loans & Advances enclosed as **Annexure M**
  - (xvi) Restated Standalone Statement of Other Non-Current Assets enclosed as **Annexure N**
  - (xvii) Restated Standalone Statement of Inventories enclosed as **Annexure O**
  - (xviii) Restated Standalone Statement of Trade Receivables enclosed as **Annexure P**
  - (xix) Restated Standalone Statement of Cash & Cash Equivalents enclosed as **Annexure Q**
  - (xx) Restated Standalone Statement of Short Term Loans & Advances enclosed as **Annexure R**
  - (xxi) Restated Standalone Statement of Other Current Assets enclosed as **Annexure S**
  - (xxii) Restated Standalone Statement of Revenue from Operations and Other Income enclosed as **Annexure T**
  - (xxiii) Restated Standalone Statement of Purchase of Stock-In-Trade enclosed as **Annexure U**





- (xxiv) Restated Standalone Statement of Changes in Inventories of Stock-In-Trade enclosed as **Annexure V**
- (xxv) Restated Standalone Statement of Employee Benefit Expenses enclosed as **Annexure W**
- (xxvi) Restated Standalone Statement of Other Expenses enclosed as **Annexure X**
- (xxvii) Restated Standalone Statement of Finance Costs enclosed as **Annexure Y**
- (xxviii) Restated Standalone Statement of Depreciation & Amortization enclosed as **Annexure Z**
- (xxix) Restated Standalone Statement of Contingent Liabilities as **Annexure AA**
- (xxx) Restated Standalone Statement of Related Party Transactions enclosed as **Annexure AB**
- (xxx1) Restated Standalone Statement of Capitalization as at 31<sup>st</sup> March, 2018 (pre-issue) and as adjusted for this issue (post issue) subject to reliance being placed on management representation in respect of post issue figures contained in the Statement of Capitalization enclosed as **Annexure AC**
- (xxxii) Restated Standalone Summary of Mandatory accounting ratios based on adjusted profits/losses, relating to earnings per share, net assets value per share and return on net worth enclosed as **Annexure AD**
- (xxxiii) Restated Standalone Statement of Tax Shelter enclosed as **Annexure AE**
- (xxxiv) Restated Standalone Statement of Dividend Declared enclosed as **Annexure AF**

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the statutory auditors M/s Bhavin Associates, Chartered Accountants (F. R. No. 101383W), in our opinion, the Restated Standalone Financial Statements for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 read with Restated Standalone Significant Accounting Policies disclosed in **Annexure IV** are prepared after making adjustments and regroupings / reclassification as considered appropriate (Refer **Annexure IV**) and have been prepared in accordance with the Act, Rules, ICDR Regulations and the Guidance Note.

8. We, M/s. J. B. Shah & Co., Chartered Accountants, (F. R. No. 121333W) have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate No. 009310 dated September 16, 2016 issued by the “Peer Review Board” of the ICAI.
9. The preparation and presentation of the standalone financial statements referred to above are based on the Audited standalone financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Standalone Financial Statements and information referred to above is the responsibility of the Company.
10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor this report be construed as a new opinion on any of the standalone financial statements referred to therein.
11. We have no responsibility to update our report for the events and circumstances occurring after the date of our report.
12. In our opinion, the above standalone financial information contained in **Annexure I** to **Annexure AF** read with respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** are prepared after making adjustments and regroupings 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 Standalone 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. We



did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

13. Consequently the standalone financial information has been prepared after making such regroupings and retrospective adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the standalone financial information may not necessarily be same as those appearing in the respective audited standalone financial statements for the relevant years.
14. This report is intended solely for the use of Management and for the inclusion in the offer Document in connection with the proposed Initial Public Offer – SME IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

#### **15. Auditors' Responsibility**

Our responsibility is to express an opinion on these restated standalone financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements.

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

#### **16. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the restated standalone 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 Standalone Statement of Assets and Liabilities of the Company, of the state of affairs of the Company as at 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;



- b) In the case of the Restated Standalone Statement of Profit and Loss, of the profits of the Company for the Years ended on that date; and
- c) In the case of the Restated Standalone Cash Flow Statement, of the cash flows of the Company for the Years ended on that date.

**For, J B Shah & Co.**  
**Chartered Accountants**  
Firm No. – 121333W

**CA. Jasmin B. Shah**  
**Proprietor**  
M. No.: 046238  
Place: Rajkot  
Date: 30<sup>th</sup> April, 2018



**ANNEXURE-I**  
**STANDALONE STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)**

(Amt. Rs. In Lacs)

	Particulars	Annx.	As At				
			31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
			Rs.	Rs.	Rs.	Rs.	Rs.
<b>(1)</b>	<b>Equity &amp; Liabilities</b>						
	Shareholders' Funds						
	(a) Share Capital	<b>A</b>	811.80	30.00	30.00	30.00	30.00
	(b) Reserves & Surplus	<b>B</b>	754.18	534.67	399.12	297.89	271.53
			<b>1,565.98</b>	<b>564.67</b>	<b>429.12</b>	<b>327.89</b>	<b>301.53</b>
<b>(2)</b>	<b>Non Current Liabilities</b>						
	(a) Long-term borrowings	<b>C</b>	1,444.82	1,686.23	1,231.54	468.82	486.77
	(b) Other Non-Current Liabilities	<b>D</b>	3.00	32.96	35.73	28.58	26.77
	(c) Long-term provisions	<b>E</b>	24.76	31.33	25.45	17.97	14.91
			<b>1,472.58</b>	<b>1,750.53</b>	<b>1,292.72</b>	<b>515.37</b>	<b>528.45</b>
<b>(3)</b>	<b>Current liabilities</b>						
	(a) Short-term borrowings	<b>F</b>	880.76	1,239.22	1,310.25	723.92	599.11
	(b) Trade payables	<b>G</b>					
	- Dues to Micro & Small Enterprises		-	-	-	-	-
	- Dues to Other Than Micro & Small Enterprises		493.82	570.16	612.39	252.80	137.26
	(c) Other current liabilities	<b>H</b>	93.57	96.44	189.02	85.20	67.95
	(d) Short-term provisions	<b>I</b>	156.89	123.84	129.88	43.50	39.30
			<b>1,625.04</b>	<b>2,029.66</b>	<b>2,241.54</b>	<b>1,105.41</b>	<b>843.62</b>
	<b>Total</b>		<b>4,663.61</b>	<b>4,344.86</b>	<b>3,963.39</b>	<b>1,948.67</b>	<b>1,673.60</b>
	<b>Assets</b>						
<b>(4)</b>	<b>Non-current assets</b>						
	(a) Fixed Assets	<b>J</b>					
	- Property, Plant & Equipment		165.38	197.07	160.98	102.15	122.90
	- Intangible Assets		5.00	-	-	-	-
	(b) Non-current investments	<b>K</b>	405.58	-	-	-	-
	(c) Deferred Tax Assets	<b>L</b>	41.17	35.32	30.09	17.41	11.68
	(d) Long-term loans and advances	<b>M</b>	40.17	49.35	68.47	47.38	56.62
	(e) Other non-current assets	<b>N</b>	32.16	6.94	20.41	24.50	17.38
			<b>689.45</b>	<b>288.67</b>	<b>279.95</b>	<b>191.44</b>	<b>208.59</b>
<b>(5)</b>	<b>Current Assets</b>						
	(a) Inventories	<b>O</b>	1,863.11	2,000.28	1,749.46	1,238.31	921.96
	(b) Trade Receivables	<b>P</b>	1,722.78	1,783.43	1,740.45	447.62	447.84
	(c) Cash & Bank Balances	<b>Q</b>	232.75	166.57	128.57	24.62	19.99
	(d) Short Term Loans & Advances	<b>R</b>	155.51	105.91	64.95	46.68	50.93
	(e) Other Current Assets	<b>S</b>	-	-	-	-	24.29
			<b>3,974.15</b>	<b>4,056.18</b>	<b>3,683.44</b>	<b>1,757.23</b>	<b>1,465.01</b>
	<b>Total</b>		<b>4,663.61</b>	<b>4,344.86</b>	<b>3,963.39</b>	<b>1,948.67</b>	<b>1,673.60</b>



**Note:** The above standalone statement should be read with the restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures II, III and IV respectively.

**ANNEXURE-II**

**STANDALONE STATEMENT OF PROFIT AND LOSS (AS RESTATED)**

(Amt. Rs. In Lacs)

Particulars	Annx	For the Year ended				
		31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
<b>Continuing Operations</b>						
<b>Revenue from operations:</b>	<b>T</b>					
- Revenue From Sale of Products		6,415.67	5,855.06	6,169.71	2,874.76	2,981.08
<b>Net Revenue from operations</b>		<b>6,415.67</b>	<b>5,855.06</b>	<b>6,169.71</b>	<b>2,874.76</b>	<b>2,981.08</b>
Other income	<b>T</b>	43.67	138.98	8.75	1.02	21.68
<b>Total Revenue (A)</b>		<b>6,459.34</b>	<b>5,994.04</b>	<b>6,178.46</b>	<b>2,875.78</b>	<b>3,002.76</b>
<b>Expenses:</b>						
Cost of Materials & Stores Consumed		-	-	-	-	-
Purchase of Stock-in-trade	<b>U</b>	4,581.95	4,153.95	4,644.01	2,135.82	2,193.12
Changes in Inventories of Stock-in-Trade	<b>V</b>	137.16	(250.81)	(511.15)	(316.35)	(358.23)
Employee Benefits Expenses	<b>W</b>	361.58	448.72	455.00	298.62	324.16
Other Expenses	<b>X</b>	658.98	1,057.07	1,098.44	498.03	604.13
<b>Total Expenses (B)</b>		<b>5,739.67</b>	<b>5,408.92</b>	<b>5,686.31</b>	<b>2,616.12</b>	<b>2,763.18</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>		<b>719.67</b>	<b>585.12</b>	<b>492.15</b>	<b>259.66</b>	<b>239.58</b>
Finance Costs	<b>Y</b>	262.14	301.96	259.67	148.25	120.80
Depreciation and Amortization Expenses	<b>Z</b>	68.06	76.75	70.09	66.59	35.93
<b>Net Profit before exceptional items, extraordinary items and tax (C=A-B)</b>		<b>389.47</b>	<b>206.42</b>	<b>162.39</b>	<b>44.82</b>	<b>82.85</b>
Exceptional Items (D)		-	-	-	-	-
<b>Net Profit before extraordinary items and tax (E=C-D)</b>		<b>389.47</b>	<b>206.42</b>	<b>162.39</b>	<b>44.82</b>	<b>82.85</b>
Extraordinary Items (F)		-	-	-	-	-
<b>Net Profit before tax (G=E-F)</b>		<b>389.47</b>	<b>206.42</b>	<b>162.39</b>	<b>44.82</b>	<b>82.85</b>
<b>Provision for Tax</b>						
- Current Tax		136.07	76.05	65.57	22.31	24.93
- Tax adjustment of prior years		(2.53)	0.05	(1.92)	0.71	(0.64)
- Deferred Tax Liability / (Asset)		(5.85)	(5.22)	(2.84)	(5.72)	(2.26)
- MAT Credit Entitlement		-	-	-	-	-
<b>Tax Expense For The Year (H)</b>		<b>127.69</b>	<b>70.87</b>	<b>60.81</b>	<b>17.29</b>	<b>22.04</b>
<b>Restated Net Profit after tax from Continuing Operations (I=G-H)</b>		<b>261.78</b>	<b>135.54</b>	<b>101.57</b>	<b>27.53</b>	<b>60.82</b>
<b>Net Profit from Discontinuing Operations (J)</b>		-	-	-	-	-
<b>Restated Net Profit for the year from total operations (K=I+J)</b>		<b>261.78</b>	<b>135.54</b>	<b>101.57</b>	<b>27.53</b>	<b>60.82</b>



**Note:** The above standalone statement should be read with the restated standalone statement of assets and liabilities, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, III and IV respectively.

**ANNEXURE-III**  
**STANDALONE CASH FLOW STATEMENT (AS RESTATED)**

(Amt. Rs. In Lacs)

Particulars	For the Year ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
<b>1. Cash Flow From Operating Activities:</b>					
<b>Net Profit before tax and extraordinary item</b>	<b>389.47</b>	<b>206.42</b>	<b>162.39</b>	<b>44.82</b>	<b>82.85</b>
<i>Adjustments for:</i>					
Depreciation Expenses	68.06	58.76	64.12	48.75	30.41
Finance Cost	262.14	301.96	259.67	148.25	120.80
Interest Received / Other Non Operative Receipts	(9.95)	(16.39)	(2.63)	(0.08)	(1.86)
<b>Operating Profit before Changes in Operating Assets &amp; Liabilities</b>	<b>709.72</b>	<b>550.74</b>	<b>483.55</b>	<b>241.74</b>	<b>232.21</b>
<i>Adjustments for:</i>					
Inventories	137.16	(250.81)	(511.15)	(316.35)	(358.23)
Trade Receivables	60.65	(42.98)	(1,292.83)	0.22	8.06
Short Term & Long Term Loans & Advances	(31.72)	20.63	(55.47)	7.87	(9.64)
Other Current Assets	-	-	-	24.29	(24.29)
Trade Payables	(76.34)	(42.23)	359.59	115.54	(58.09)
Other Current Liabilities	(2.87)	(92.58)	103.82	17.25	16.83
Other Non-Current Liabilities	(29.96)	(2.77)	7.15	1.81	8.43
Short Term & Long Term Provisions	(33.54)	(10.64)	50.60	9.88	(9.41)
Other Non Current Assets	(25.22)	13.46	4.10	(7.12)	(8.19)
<b>Changes in Operating Assets &amp; Liabilities</b>	<b>(1.85)</b>	<b>(407.90)</b>	<b>(1,334.18)</b>	<b>(146.61)</b>	<b>(434.52)</b>
Cash Flow from Extra-Ordinary Items	-	-	-	-	-
<b>Cash Generated from Operations</b>	<b>707.87</b>	<b>142.83</b>	<b>(850.63)</b>	<b>95.13</b>	<b>(202.31)</b>
Taxes Paid	(82.22)	(108.08)	(4.28)	(20.03)	(23.06)
<b>Net Cash from Operating Activities</b>	<b>625.65</b>	<b>34.76</b>	<b>(854.91)</b>	<b>75.10</b>	<b>(225.36)</b>
<b>2. Cash Flow From Investing Activities:</b>					
Fixed Assets / Other Assets Purchased (Net)	(41.37)	(94.85)	(133.15)	(29.15)	(10.91)
Interest Received/ Other Non Operative Receipts	9.95	16.39	2.63	0.08	1.86
<b>Net Cash from Investing Activities</b>	<b>(31.42)</b>	<b>(78.45)</b>	<b>(130.52)</b>	<b>(29.07)</b>	<b>(9.06)</b>
<b>3. Cash Flow From Financing Activities:</b>					
Proceeds from Short term borrowings	(358.46)	(71.03)	586.34	124.80	459.65
Proceeds from Long term borrowings	(241.41)	454.69	762.72	(17.95)	(119.41)
Proceeds from Issue of Shares (Preferential Allotment)	333.96	-	-	-	-
Finance Cost	(262.14)	(301.96)	(259.67)	(148.25)	(120.80)
<b>Net Cash from Financing Activities</b>	<b>(528.06)</b>	<b>81.70</b>	<b>1,089.39</b>	<b>(41.40)</b>	<b>219.44</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>66.18</b>	<b>38.00</b>	<b>103.95</b>	<b>4.63</b>	<b>(14.98)</b>



Cash & Cash Equivalents at the beginning of the year	166.57	128.57	24.62	19.99	34.97
Cash & Cash Equivalents at the end of the year	<b>232.75</b>	<b>166.57</b>	<b>128.57</b>	<b>24.62</b>	<b>19.99</b>

**Notes:**

(Amt. Rs. In Lacs)

<b>1. Components of Cash &amp; Cash Equivalents</b>					
<b>Particulars</b>	<b>31-03-18</b>	<b>31-03-17</b>	<b>31-03-16</b>	<b>31-03-15</b>	<b>31-03-14</b>
Cash on Hand	3.01	10.06	24.50	14.22	10.92
Balances with Scheduled Banks					
In Current Accounts	4.73	31.77	1.58	0.72	9.07
In Earmarked / Deposit Accounts	224.99	124.72	102.48	9.68	-
Others (Credit Card - Swipe Balance)	0.02	0.02	0.02	-	-
<b>Total Cash &amp; Cash Equivalents</b>	<b>232.75</b>	<b>166.57</b>	<b>128.57</b>	<b>24.62</b>	<b>19.99</b>

2. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

3. Figures in Brackets represents outflow.

4. The above standalone statement should be read with the restated standalone statement of assets and liabilities, standalone statement of profit & loss, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II and IV respectively





## ANNEXURE-IV

### SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

#### Accompanying Standalone Financial Statements (As Restated)

##### The Company

**PARIN FURNITURE LIMITED** (the Company) was originally incorporated as **PARIN FURNITURE PRIVATE LIMITED** under the provisions of the Companies Act, 1956 with Certificate of Incorporation dated September 12, 2006 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli, (CIN **U36101GJ2006PTC049074**). Further, pursuant to Special Resolution passed by the shareholders at the **Extra Ordinary General Meeting held on March 17th, 2018**, our company was converted into a Public Limited Company and consequently the name of our Company was changed from **"Parin Furniture Private Limited"** to **"Parin Furniture Limited"** vide a fresh Certificate of Incorporation dated **April 4th, 2018** issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of our Company is U36101GJ2006PLC049074

##### **Nature of Operations**

The Company is engaged in the Business Activities of Furniture, Fixtures & its related items, with its Head Office at Rajkot, Gujarat and various locations in India.

#### I. SIGNIFICANT ACCOUNTING POLICIES:

##### **Basis of preparation of Standalone Financial Statements**

These Standalone financial statements as restated are prepared under the historical cost basis of accounting and evaluated on a going concern basis, with revenues and expenses accounted for on their accrual to comply in all material aspects with the applicable accounting principles and applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and read with general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013 and the relevant provisions of the Companies Act, 1956 (upto 31st March, 2014) and Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The accounting policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP').

The Standalone Financial Statements for the year ended 31st March, 2018, 31st March, 2017, 2016 and 2015 have been prepared in accordance with Schedule III of the Companies Act, 2013. Standalone Financial Statements for the year ended on 31 March 2014 have been prepared in accordance with Revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited standalone financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements. However, adoption of Schedule III of the Companies Act, 2013 has significant impact on presentation and disclosures made in the financial statements for these years.

The accounting policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP'). The accounting policies adopted in the preparation of standalone financial statements are consistent with those of previous year.



## Use of estimates

The preparation of standalone financial statements require estimates and assumptions to be made that affect the reported balances of assets as on the date of the standalone financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when the Management becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the standalone financial statements.

## Change in accounting estimate

Pursuant to Companies Act, 2013 being effective from 1 April 2014, the Company has revised the depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.

The following significant accounting policies are adopted in the preparation and presentation of these standalone financial statements:

### 1. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

#### Sales of Goods:

Sales are recognized when significant risks and rewards of ownership of goods have been passed to the buyer. Purchases & Sales are recorded net of duties & taxes, for which input tax credit is available.

#### Other Income:

Other Income are recognized on accrual basis in the year in which right to receive the same is established.

#### Interest:

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

### 2. Tangible Fixed assets

Gross fixed assets are stated at cost of acquisition including incidental expenses relating to acquisition and installation. Fixed Assets are stated at cost net of modvat / cenvat / other credits and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All pre-operative costs, including specific financing cost till commencement of commercial production, net charges on foreign exchange contracts and adjustment arising from foreign exchange rate variations attributable to the fixed assets are capitalized.

### 3. Depreciation

Depreciation on fixed assets is provided on Written Down Value Method (WDV) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 up to the years ended on 31/03/2014. For the period after 01/04/2014, the depreciation on fixed assets is provided at the rates arrived at on the basis of useful life / remaining useful life and in the manner as prescribed in, Part C, Schedule II of the Companies Act, 2013 as per Written Down Value Method (WDV) only. In respect of assets whose useful life is already exhausted as on 1st April, 2014, the carrying amount as on 1st April, 2014 after retaining the Scrap Value, has been adjusted through retained earnings in FY 14-15.



The details of useful life of an asset and its residual value estimated by the management are as follows:-

Type of Asset	Useful Life as per Schedule II from April 1, 2014	Rates Applied FY 13-14
Equipments	15 Years	13.91%
Air Conditioners	15 Years	13.91%
Vehicles - Two Wheelers	10 Years	25.89%
Vehicles - Four Wheelers	8 Years	25.89%
Office Equipments	5 Years	13.91%
Furniture & Fixtures	10 Years	18.10%
Computers & Softwares	3 Years	40.00%

In none of the case the residual value of an asset is more than five per cent of the original cost of the asset

#### 4. Investments

Company's Investments are Non-Current Investments in nature being Investment in Subsidiary Company. Non-Current Investments are stated at cost. A provision for diminution in the value of Investments is made for each investment individually if such decline is other than temporary.

#### 5. Other Non-Current Assets

Other Non-Current Assets comprises of Show Room Renovation Expenses, Preliminary Expenses, Share Issue Expenses and Interest Accrued on Bank Deposits with original maturity of more than 12 Months. Show Room Renovation Expenses done on rented premises are written off over a period of time during which the benefit of the said expenses are estimated to be useful in the opinion of the management of the Company. Further in the year of discontinuance of rented premises, such renovation expenses are written off in the year of such discontinuance.

#### 6. Inventories

Inventories of Traded Goods are stated at cost or net realizable value, whichever is lower. Cost comprises all cost of purchase and other costs which are being incurred in bringing the inventories to their present location and condition. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

#### 7. Retirement Benefits & Other Employee benefits

##### Defined-contribution plans:

Defined contribution to provident fund is charged to the profit and loss account on accrual basis.

##### Defined-benefit plans:

Provision for gratuity liability is provided based on actuarial valuation made covering all the period.

Leave encashment expenditure, if any is charged to profit and loss account at the time of leave encashed and paid. Bonus expenditure is charged to profit and loss account on accrual basis.

#### 8. Foreign exchange transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the net gain or loss is recognized in the profit and loss account. All other foreign currency gain or losses are recognized in the profit and loss account.

#### 9. Lease Accounting

Operating Leases: Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognized as an expense in the statement of statement of profit and loss. Initial direct cost in respect of the lease acquired are expensed out in the year in which such costs are incurred.



## **10. Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

## **11. Taxes on Income**

Tax expenses comprise Current Tax / Minimum Alternate Tax (MAT) and deferred tax charge or credit.

Current tax -Provision for current tax / Minimum Alternate Tax (MAT) is made based on tax liability computed after considering tax allowances and exemptions, in accordance with the provisions of The Income Tax Act, 1961.

Deferred tax -Deferred tax assets and liability is recognized, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising mainly on account of brought forward losses, unabsorbed depreciation and minimum alternate tax under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realization. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

## **12. Earnings per share:**

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the standalone financial statements are approved by the board of directors, if any.

## **13. Provisions and contingent liabilities**

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates 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 contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Contingent liabilities are disclosed by way of notes to the accounts.

Contingent assets are not recognized.

## **14. Cash & Cash Equivalents**

Cash and cash equivalents in the cash flow statement comprise cash at bank & on hand.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments



and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

#### 15. Segment Reporting

In accordance with Accounting Standard-17 – “Segment Reporting” issued by the Institute of Chartered Accountants of India, the Company has identified its business segment as "Business activities of Furniture, Fixtures & its related items". There are no other primary reportable segments. The major and material activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosures are also not applicable.

#### 16. Preliminary Expenses

Preliminary Expenses incurred for at the time of incorporation of the company are being written off over a period of 10 years.

### II. NOTES TO RESTATED SUMMARY STATEMENT:

The standalone financial statements for the year ended March 31, 2014 are prepared as per the revised schedule VI and financial statements for the year ended March 31, 2015, year ended March 31, 2016, year ended March 31, 2017 and year ended March 31, 2018 are prepared as per Schedule III of the Companies Act, 2013. Accordingly, the figures of the previous years have also been re-classified to confirm to classification as per the Schedule III. The adoption of revised schedule VI and Schedule III for the figures of the previous year does not impact recognition and measurement principles followed for the preparation of these standalone financial statements.

#### 1. Contingent liabilities and commitments (to the extent not provided for)

A disclosure for a contingent liability is also made when there is a possible obligation that may, require an outflow of the Company's resources.

#### 2. Disclosure as required u/s. 22 of Micro, Small and Medium Enterprises Development Act, 2006

In the absence of information regarding outstanding dues of Micro or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same.

#### 3. Related Party Transactions

Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure-AB of the enclosed standalone financial statements.

#### 4. Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year is as under:

(Amt. Rs. in Lacs)

Particulars	For the Year Ended				
	2017-18	2016-17	2015-16	2014-15	2013-14
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	(32.67)	(24.61)	(21.40)	(11.67)	(6.94)
(DTA) on account of gratuity provision	(8.50)	(10.71)	(8.69)	(5.74)	(4.74)
<b>Net Deferred Tax (Asset)/Liability</b>	<b>(41.17)</b>	<b>(35.32)</b>	<b>(30.09)</b>	<b>(17.41)</b>	<b>(11.68)</b>



## 5. Directors' Remuneration

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Directors' Salary	25.20	14.00	20.40	9.60	14.60
<b>Total</b>	<b>25.20</b>	<b>14.00</b>	<b>20.40</b>	<b>9.60</b>	<b>14.60</b>

## 6. Auditors' Remuneration:

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
a. As Auditors					
Statutory & Tax Audit Fees	0.50	0.50	0.49	0.50	0.50
<b>Total</b>	<b>0.50</b>	<b>0.50</b>	<b>0.49</b>	<b>0.50</b>	<b>0.50</b>

## 7. Earnings Per Share

Earnings per Share have been calculated as under:

(Amt. Rs. In Lacs, except for EPS)

Particulars	For the Year Ended				
	2017-18	2016-17	2015-16	2014-15	2013-14
A. Number of Shares at the beginning of the year	3,00,000	3,00,000	3,00,000	3,00,000	3,00,000
Shares issued during the year	-	-	-	-	-
- Allotment (Fresh Issue) (1st June, 2017)	2,00,000	-	-	-	-
- Allotment (Bonus Issue) (17th March, 2018)	50,00,000	-	-	-	-
- Allotment (Bonus Issue) (24th March, 2018)	11,00,000	-	-	-	-
- Allotment (Preferential Issue) (29th March, 2018)	15,18,000	-	-	-	-
B. Total Number of equity shares outstanding at the end of the year	81,18,000	3,00,000	3,00,000	3,00,000	3,00,000
C. Weighted average number of equity shares outstanding during the year (Considering Bonus Issue)	65,79,052	39,60,000	39,60,000	39,60,000	39,60,000
D. Net profit after tax available for equity shareholders (as restated)	261.78	135.54	101.57	27.53	60.82
E. Basic and Diluted earnings per share (Rs.) (D/C)	3.98	3.42	2.56	0.70	1.54

8. Figures have been rearranged and regrouped wherever practicable and considered necessary.

9. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.



10. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.

**11. Employee benefits:**

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:

**(a) Defined Benefit Plan (Gratuity)**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended				
	2017-18	2016-17	2015-16	2014-15	2013-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>1. The amounts recognized in the Balance Sheet are as follows:</b>					
Present value of unfunded obligations recognized	25.71	32.38	26.28	18.57	15.35
<b>Net Liability</b>	<b>25.71</b>	<b>32.38</b>	<b>26.28</b>	<b>18.57</b>	<b>15.35</b>
<b>2. The amounts recognized in the Profit &amp; Loss A/c are as follows:</b>					
Current Service Cost	5.33	7.12	7.22	4.47	4.30
Interest on Defined Benefit Obligation	2.49	1.95	1.43	1.23	1.62
Net Actuarial Losses / (Gains) Recognized in Year	(14.50)	(2.96)	(0.93)	(2.49)	(8.57)
Past Service Cost	-	-	-	-	-
Total, Included in "Salaries, allowances & welfare"	-	-	-	-	-
	<b>(6.68)</b>	<b>6.10</b>	<b>7.72</b>	<b>3.21</b>	<b>(2.64)</b>
<b>3. Changes in the present value of defined benefit obligation:</b>					
Defined benefit obligation as at the beginning of the year/period	32.38	26.28	18.57	15.35	18.00
Service cost	5.33	7.12	7.22	4.47	4.30
Interest cost	2.49	1.95	1.43	1.23	1.62
Actuarial Losses/(Gains)	(14.50)	(2.96)	(0.93)	(2.49)	(8.57)
Past Service Cost	-	-	-	-	-
<b>Defined benefit obligation as at the end of the year/period</b>	<b>25.71</b>	<b>32.38</b>	<b>26.28</b>	<b>18.57</b>	<b>15.35</b>
<b>Current / Non-Current Liability</b>					





<b>Current Liability (classified as Short Term Provision)</b>	0.95	1.05	0.83	0.60	0.44
<b>Non-Current Liability (classified as Long Term Provision)</b>	24.76	31.33	25.45	17.97	14.91
	<b>25.71</b>	<b>32.38</b>	<b>26.28</b>	<b>18.57</b>	<b>15.35</b>
<b>Benefit Description</b>					
Benefit Type					
Retirement Age:	60 Years	60 Years	60 Years	60 Years	60 Years
Vesting Period:	5 Years	5 Years	5 Years	5 Years	5 Years
<b>The principal actuarial assumptions for the above are:</b>					
Future Salary Rise:	5.50% p.a.	5.50% p.a.	5.50% p.a.	5.50% p.a.	5.50% p.a.
Discount rate per annum:	7.70% p.a.	7.40% p.a.	7.70% p.a.	8.00% p.a.	9.00% p.a.
Withdrawal Rate: (Per Annum)	2% at younger ages and reducing to 1% at older ages according to graduated scale				
Mortality Rate:	IALM 06-08 Ultimate	IALM 06-08 Ultimate	IALM 06-08 Ultimate	IALM 06-08 Ultimate	IALM 06- 08 Ultimate

#### (b) Defined Contribution Plans

The Company is registered with the Regional Provident Fund Commissioner for the Employees' Provident Fund Scheme. Contributions to Provident Fund are included under head Employee Benefit Expenses in the Statement of profit and loss.

(Amt. Rs. In Lacs)

Particulars	For the Year Ended				
	2017-18	2016-17	2015-16	2014-15	2013-14
Employees Provident Fund (EPF)	6.20	12.89	9.69	4.67	0.41

#### 12. Realizations

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

#### 13. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

#### 14. Amounts in the Standalone Financial Statements

Amounts in the standalone financial statements are rounded off to nearest lac rupees. Figures in brackets indicate negative values

#### 15. Previous year's figures

The Revised Schedule VI has become effective from 1 April, 2011 and Schedule III has become effective from 1st April, 2014 for the preparation of standalone financial statements. This has significantly impacted the disclosure and presentation made in the standalone financial statements. Figures for the year ended March 31, 2011 wherever dealt in this statement have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure to the extent possible.



## 16. Leases

### Operating Lease

Operating leases are mainly in the nature of office rent and godown rent with no restrictions and are renewable by mutual consent. Lease rental payments made by the Company are recognized in the statement of profit and loss.

### Lease payments recognized in statement of profit & loss:

(Amt. Rs. In Lacs)

Particulars	For the Year Ended				
	2017-18	2016-17	2015-16	2014-15	2013-14
Lease Rentals Paid / Provided for	197.31	285.92	300.83	172.36	187.52

## 17. Material Adjustments

Appropriate adjustments have been made in the restated standalone financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule VI and Accounting Standards.

### Statement of Adjustments in the Standalone Financial Statements:

(Amt. Rs. In Lacs)

Particulars	For the Year Ended				
	2017-18	2016-17	2015-16	2014-15	2013-14
Net Profits after tax and extraordinary items as per audited accounts but before Adjustments: (A)	252.68	130.33	110.32	26.73	58.67
<b>Adjustment on Account of :</b>					
<b>1. Add / (Less) :</b> Adjustment of Gratuity Provision	32.38	(6.10)	(7.72)	(3.21)	2.64
<b>2. Add / (Less) :</b> Adjustment of Deferred Tax Provision	(25.47)	5.22	2.84	5.72	2.26
<b>3. Add / (Less) :</b> Adjustment of Preliminary Expenses Written Off during respective years	-	0.32	(0.32)	-	-
<b>4. Add / (Less) :</b> Adjustment of Depreciation	3.61	(1.83)	(3.08)	(4.38)	-
<b>5. Add / (Less) :</b> Adjustment of Additional Profit / (Loss) on sale of fixed assets (restated)	-	5.68	-	-	-
<b>6. Adjustment of IT Provision</b>	(1.43)	1.92	(0.46)	2.66	(2.75)
<b>Total (B)</b>	9.10	5.22	(8.74)	0.79	2.15
<b>Net Profit as Restated (A+B)</b>	<b>261.78</b>	<b>135.54</b>	<b>101.57</b>	<b>27.53</b>	<b>60.82</b>



**NOTE ON RESTATEMENTS:-**

**1. Provision of Gratuity**

The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2018 in FY 17-18 by classifying expenses related to FY 12-13 to FY 16-17 as prior period expenses. For the purpose of Restatement the figures for gratuity provision related to FY 13-14 to FY 17-18 have been debited to statement of profit and loss in the respective years and gratuity provision related FY 12-13 has been adjusted in the opening reserves, on the basis of actuarial valuation.

**2. Adjustment of Deferred Tax Provision**

Adjustment of deferred tax provision [being deferred tax (asset) / liability] is on account of some restated temporary differences being restated unpaid gratuity and restated closing WDV as per books and as per income tax act, as the same has not been worked out in the books of accounts of the company. However, the same has been provided for in the year ended 31st March, 2018.

Deferred Tax Liability / (Assets) as on 31st March, 2013 has not been worked out in the books of accounts of the company and the same has been adjusted in the opening reserves as on 1st April 2013

Restated Opening Reserves after considering adjustment as per point no. 1 & 2 above are as follows:

Particulars	Amt. (Rs. In Lacs)
<b>Securities Premium Account</b>	
Balance as per last standalone financial statements	<b>95.00</b>
<b>Surplus in Statement of Profit &amp; Loss</b>	
Balance as per last standalone financial statements	<b>124.29</b>
Add : Deferred Tax Assets as at 31st March, 2013	9.43
(Less) : Income Tax Adjustment as on 31st March, 2013	(0.01)
(Less) : Gratuity Provision as at 31st March, 2013	(18.00)
<b>Total Adjustments to Opening Reserves</b>	<b>(8.58)</b>
Surplus in Statement of Profit & Loss (Restated) Opening 1st April, 2013	115.71
<b>Total Opening Reserves (Restated)</b>	<b>210.71</b>

**3. Preliminary Expenses Written Off**

Preliminary Expenses for the year 2015-16 have been written off in the year 2016-17, whereas the same has been written off in respective years in Restated Financial Statements.

**4. Adjustment of Depreciation**

Adjustment of depreciation is on account of incorrect useful life being considered in some of the fixed assets during FY 14-15 to FY 16-17. However, the cumulative impact of the same in case of existing assets has been provided in the audited financial statements for the year ended 31st March, 2018.



**5. Adjustment of Profit / (Loss) on Sale of Fixed Assets**

Adjustment is on account of correct profit / (loss) on sale of fixed assets arrived at in restated financial statements, on account incorrect useful life being considered in some of the fixed assets during FY 14-15 to FY 16-17.

**6. Adjustment of IT Provision**

Adjustment of IT Provision is on account of restated taxable income arrived at after giving effect of above mentioned material adjustments and as per normal rules of income tax provision.

**18. Material Regrouping in Restated Standalone Financial Statements**

Appropriate adjustments have been made in the Restated Standalone Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (as amended) The following tables signify material regroupings carried out in restated standalone financial statements:

**Table 1 : Reconciliation of Long Term Borrowings**

1.) Current Maturity of Long Term Debts restated under Other Current Liabilities.

2.) Security Deposits Restated as on Non-Current Liabilities instead of grouped under Unsecured Loans

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Long Term Borrowings as per AFS	1,444.82	1,737.79	1,311.71	523.70	536.88
Current Maturity of Long Term Debt	-	(18.59)	(44.44)	(26.30)	(23.34)
Security Deposits Restated	-	(32.96)	(35.73)	(28.58)	(26.77)
Long Term Borrowings as Restated	1,444.82	1,686.23	1,231.54	468.82	486.77

**Table 2 : Reconciliation of Other Non-Current Liabilities**

1.) Security Deposits Restated as on Non-Current Liabilities instead of grouped under Unsecured Loans

Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Other Non-Current Liabilities as per AFS	3.00	-	-	-	-
Security Deposits Restated	-	32.96	35.73	28.58	26.77
Other Non-Current Liabilities as Restated	3.00	32.96	35.73	28.58	26.77



**Table 3 : Reconciliation of Long Term Provisions**

Closing Gratuity Provision restated under Long Term Provision as per actuary valuation report instead of Other Current Liabilities as per Audited Financial Statements (AFS)

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Long Term Provisions as per AFS	24.76	-	-	-	-
Gratuity Provision (Long Term Portion as per Actuarial Valuation Report)	-	31.33	25.45	17.97	14.91
Long Term Provisions as Restated	24.76	31.33	25.45	17.97	14.91

**Table 4 : Reconciliation of Trade Payables**

- 1.) Sundry Creditors for Expenses restated under Trade Payables instead of Other Current Liabilities as per Audited Financial Statements.
- 2.) Outstanding balance of credit cards restated under Other Current Liabilities instead of Trade Payables as per Audited Financial Statements.
- 3.) Certain parties actually Trade Payables instead of advances from customers wrongly regrouped as per Audited Financial Statements

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Trade Payables as per AFS	493.82	570.19	556.30	232.17	105.92
Trade Payables for Expenses	-	-	56.09	18.17	26.02
Credit Card	-	(0.02)	-	-	-
Trade Payables (Restated)	-	-	-	2.46	5.31
Trade Payables as per Restated	493.82	570.16	612.39	252.80	137.26

**Table 5 : Reconciliation of Other Current Liabilities**

- 1.) Current Maturity of Long Term Debts restated under Other Current Liabilities instead of Short Term Borrowings as per Audited Financial Statements (AFS)
- 2.) Sundry Creditors for Expenses restated under Trade Payables instead of Other Current Liabilities as per Audited Financial Statements.
- 3.) Salary Payable restated under Short Term Provisions instead of Other Current Liabilities instead of as per Audited Financial Statements (AFS)
- 4.) Statutory Liabilities restated under Other Current Liabilities instead of Short Term Provisions as per Audited Financial Statements (AFS)
- 5.) Outstanding balance of credit cards restated under Other Current Liabilities instead of Trade Payables as per Audited Financial Statements.
- 6.) Certain parties actually Trade Payables instead of advances from customers wrongly regrouped as per Audited Financial Statements



(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Other Current Liabilities as per AFS	93.57	77.83	115.23	66.37	46.92
Current Maturity of Long Term Debt	-	18.59	44.44	26.30	23.34
Trade Payables for Expenses	-	-	(56.09)	(18.17)	(26.02)
Salary Payable	-	-	(2.89)	(0.40)	-
Statutory Liabilities	-	-	88.34	13.56	29.02
Credit Card	-	0.02	-	-	-
Trade Payables (Restated)	-	-	-	(2.46)	(5.31)
Other Current Liabilities as Restated	93.57	96.44	189.02	85.20	67.95

**Table 6 : Reconciliation of Short Term Provisions**

- 1.) Closing Gratuity Provision (short term portion) restated under Short Term Provision as per Actuarial Valuation Report.
- 2.) Difference in Income Tax Provision (Restated) and as per Audited Financial Statements (AFS)
- 3.) Gross Income Tax Provision disclosed in Restated Financial Statements for all year instead of showing income tax provision (net of advance tax) as per Audited Financial Statements (AFS) for FY 16-17 and FY 17-18
- 4.) Statutory Liabilities restated under Other Current Liabilities instead of Short Term Provisions as per Audited Financial Statements (AFS)
- 5.) Salary Payable restated under Short Term Provisions instead of Other Current Liabilities as per Audited Financial Statements (AFS)

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Short Term Provisions as per AFS	106.82	84.14	213.92	55.96	65.12
Gratuity Provision (Short Term Portion as per Actuarial Valuation Report)	-	1.05	0.83	0.60	0.44
Diff in IT Provision	0.07	(1.35)	0.57	0.11	2.76
Gross Provision for IT shown (Advance Tax Amount)	50.00	40.00	-	-	-
Statutory Liabilities	-	-	(88.34)	(13.56)	(29.02)
Salary Payable	-	-	2.89	0.40	-
Short Term Provisions as Restated	156.89	123.84	129.88	43.50	39.30



**Table 7 : Reconciliation of Fixed Assets**

- 1.) Fixed Assets restated after considering depreciation based on useful life prescribed in Schedule II of Companies Act, 2013 instead of incorrect useful life being considered in some of the fixed assets during FY 14-15 to FY 16-17 in Audited Financial Statements (AFS). However, the cumulative impact of the same in case of existing assets has been provided in the audited financial statements for the year ended 31st March, 2018.
- 2.) Showroom Renovation / Misc. Expenses On Rented Premises restated under Other Non-Current Assets instead of Fixed Assets

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Fixed Assets as per AFS	170.38	200.68	168.43	106.52	130.83
Change in Depreciation	-	(1.83)	(3.08)	(4.38)	-
Change in Depreciation (Earlier Years)	-	(7.45)	(4.38)		-
Profit on Sale of Fixed Assets (Restated)	-	5.68	-	-	-
Showroom Renovation / Misc. Exps.	-	-	-	-	(7.92)
Fixed Assets as Restated	170.38	197.07	160.98	102.15	122.90

**Table 8 : Reconciliation of Deferred Tax Assets**

Deferred Tax Assets Restated on account of DTA on closing balances of gratuity as per actuarial valuation report and on account of Timing Difference in Depreciation as per Companies Act and Income Tax Act, while no provision for deferred tax is being done during FY 13-14 to FY 16-17 in Audited Financial Statements (AFS). However, the same has been done in audited financial statements for the year ended 31st March, 2018.

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Deferred Tax Assets as per AFS	41.17	9.85	9.85	-	-
DTA provision on Opening Balance	-	-	-	-	9.43
DTA provision during the year	-	5.22	2.84	5.72	2.26
DTA provision related to earlier years	-	20.24	17.41	11.68	-
Deferred Tax Assets as Restated	41.17	35.32	30.09	17.41	11.68

**Table 9 : Reconciliation of Long Term Loans & Advances**

- 1.) Bank Deposits with original maturity with more than 12 months restated under cash and cash equivalents and interest accrued thereon restated under other non-current assets
- 2.) Security Deposit for rented premises with rent period of less than 12 months restated under short term loans and advances
- 3.) Prepaid Expenses and advance payment to creditors restated under short term loans and advances
- 4.) Advance Payment to Creditors restated as Short Term Loans & Advances





5.) Advance Payment to Creditors actually trade receivable, restated under trade receivables

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Long Term Loans & Advances as per AFS	40.17	229.58	222.12	77.28	76.35
Bank Deposits	-	(124.72)	(102.48)	(9.68)	-
Interest accrued on Bank Deposits	-	(6.94)	(2.19)	-	-
Security Deposit (For Less than 12M)	-	(0.51)	(0.13)	(0.93)	-
Prepaid Expenses	-	(19.50)	(12.14)	(2.86)	(3.60)
Advance Payment to Creditors	-	(24.71)	(36.72)	(16.43)	(16.13)
Advance Payment to Creditors actually trade receivable, restated	-	(3.86)	-	-	-
Long Term Loans & Advances as Restated	40.17	49.35	68.47	47.38	56.62

**Table 10 : Reconciliation of Other Non-Current Assets**

- 1.) Interest accrued on bank deposits with original maturity of more than 12 Months restated under other non-current assets
- 2.) Preliminary Expenses for the year 2015-16 have been written off in the year 2016-17, whereas the same has been written off in respective years in Restated Financial Statements.
- 3.) Showroom Renovation / Misc. Expenses On Rented Premises restated under Other Non-Current Assets instead of Fixed Assets

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Other Non-Current Assets as per AFS	32.16	-	18.54	24.50	9.46
Interest accrued on deposits	-	6.94	2.19	-	-
Preliminary Exps. W/o.	-	-	(0.32)	-	-
Showroom Renovation / Misc. Exps.	-	-	-	-	7.92
Other Non-Current Assets as Restated	32.16	6.94	20.41	24.50	17.38

**Table 11 : Reconciliation of Trade Receivables**

- 1.) Advance Payment to Creditors actually trade receivable, restated under trade receivables
- 2.) Advance to Employees restated under short term loans and advances instead of trade receivables as per audited financial statements (AFS)



(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Trade Receivables as per AFS	1,722.78	1,779.62	1,740.50	447.62	447.84
Advance Payment to Creditors actually trade receivable, restated	-	3.86	-	-	-
Advance Payment to Employees	-	(0.05)	(0.05)	-	-
Trade Receivables as Restated	1,722.78	1,783.43	1,740.45	447.62	447.84

**Table 12 : Reconciliation of Cash & Cash Equivalents**

1.) Bank Deposits with original maturity with more than 12 months restated under cash and cash equivalents and interest accrued thereon restated under other non-current assets

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Cash & Cash Equivalents as per AFS	232.75	41.85	26.09	14.94	19.99
Bank Deposits	-	124.72	102.48	9.68	-
Cash & Cash Equivalents as Restated	232.75	166.57	128.57	24.62	19.99

**Table 13 : Reconciliation of Short Term Loans & Advances**

1.) Gross Income Tax Provision disclosed in Restated Financial Statements for all year instead of showing income tax provision (net of advance tax) as per Audited Financial Statements (AFS) for FY 16-17 and FY 17-18

2.) Security Deposit for rented premises with rent period of less than 12 months restated under short term loans and advances

3.) Prepaid Expenses and advance payment to creditors restated under short term loans and advances

4.) Insurance Claim Receivable restated under other current assets instead of short term loans advances as per audited financial statements (AFS).

5.) Advance to Employees restated under short term loans and advances instead of trade receivables as per audited financial statements (AFS)

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Short Term Loans & Advances as per AFS	105.51	21.14	15.92	26.47	55.49
Advance Tax	50.00	40.00	-	-	-
Security Deposits	-	0.51	0.13	0.93	-
Prepaid Expenses	-	19.50	12.14	2.86	3.60
Advance Payment to Creditors	-	24.71	36.72	16.43	16.13
Insurance Claim Receivable	-	-	-	-	(24.29)
Advance Payment to Employees	-	0.05	0.05	-	-
Short Term Loans & Advances as Restated	155.51	105.91	64.95	46.68	50.93



**Table 14 : Reconciliation of Other Current Assets**

Insurance Claim Receivable restated under other current assets instead of short term loans advances as per audited financial statements (AFS).

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Other Current Assets as per AFS	-	-	-	-	-
Insurance Claim Receivable	-	-	-	-	24.29
Other Current Assets as Restated	-	-	-	-	24.29

**Table 15 : Reconciliation of Other Income**

1.) Foreign Exchange Loss adjusted against Foreign Exchange Gain and restated under Other Income instead of Exceptional / Other Expenses as per Audited Financial Statements (AFS)

2.) Prior Year Income Tax Short / Excess Provision restated under Prior Year Tax Expenses under the head Tax Expenses for the year, instead of Other Income as per Audited Financial Statements.

3.) Profit / (Loss) on sale of fixed assets restated under Other Income instead of considering the same as exceptional items as per Audited Financial Statements and also effect of revised profit on sale of fixed assets is being considered herein.

4.) Insurance Claim for damaged goods restated.

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Other Income as per AFS	43.67	129.77	9.95	0.84	3.43
Add / (Less) : Foreign Exchange Loss debited in Other Expenses	-	(1.57)	-	0.16	(6.57)
Add / (Less) : Prior Year Tax Expenses	-	-	(1.20)	-	(0.20)
Add / (Less) : Profit / (Loss) on Sale of Fixed Assets	-	10.79	-	0.02	0.74
Add / (Less) : Insurance Claim	-	-	-	-	24.29
Other Income as Restated	43.67	138.98	8.75	1.02	21.68

**Table 16 : Reconciliation of Purchase of Stock in Trade**

Packing & Fitting Materials purchased restated under Purchase of Stock in Trade instead of Other Expenses as per Audited Financial Statements (AFS)

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Purchases of Stock in Trade as per AFS	4,581.95	4,153.95	4,640.25	2,131.93	2,191.22
Add : Packing & Fitting Materials	-	-	3.77	3.89	1.90
Purchases of Stock in Trade as Restated	4,581.95	4,153.95	4,644.01	2,135.82	2,193.12



**Table 17 : Reconciliation of Employee Benefit Expense**

- 1.) The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2018 in FY 17-18 by classifying expenses related to FY 12-13 to FY 16-17 as prior period expenses. For the purpose of Restatement the figures for gratuity provision related to FY 13-14 to FY 17-18 have been debited to statement of profit and loss in the respective years and gratuity provision related FY 12-13 has been adjusted in the opening reserves, on the basis of actuarial valuation.
- 2.) Security Expenses restated under other expenses instead of Employee Benefit Expenses as per Audited Financial Statements.
- 3.) Employment Cost related to Warehouse Staff restated under Employee Benefit Expenses instead of Other Expenses as per Audited Financial Statements.

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Employee Benefit Exps. as per AFS	361.58	452.74	456.50	300.84	281.51
Gratuity Provision made in respective years in Restated Financial Statements	-	6.10	7.72	3.21	(2.64)
Security Expenses	-	(10.12)	(9.23)	(5.43)	(6.03)
Employment Cost related to Warehouse Staff	-	-	0.01	-	51.32
Employee Benefit Exps. as Restated	361.58	448.72	455.00	298.62	324.16

**Table 18 : Reconciliation of Other Expenses**

- 1.) Interest on late payment of statutory dues restated under Finance Cost instead of Other Expenses as per Audited Financial Statements (AFS)
- 2.) Packing & Fitting Materials purchased restated under Purchase of Stock in Trade instead of Other Expenses as per Audited Financial Statements (AFS)
- 3.) Security Expenses restated under other expenses instead of Employee Benefit Expenses as per Audited Financial Statements.
- 4.) Employment Cost related to Warehouse Staff restated under Employee Benefit Expenses instead of Other Expenses as per Audited Financial Statements.
- 5.) Preliminary Expenses written off considered as normal business expenditure instead of extra-ordinary / exceptional items as per audited financial statements
- 6.) Insurance Claim for damaged goods restated under other income instead of netting off the same under other expenses as per Audited Financial Statements.
- 7.) Loss on Disposal of fixed assets restated under other expenses instead of considering the same as exceptional items as per Audited Financial Statements
- 8.) Donation restated under other expenses instead of considering the same as exceptional items as per Audited Financial Statements
- 9.) Short Provision of Earlier Year Income Tax restated under prior year tax expenses instead of other expenses as per Audited Financial Statements (AFS)

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Other Exps. as per AFS (Direct Exps, Administrative Exps.)	658.98	1,056.73	1,093.33	496.49	626.76
Interest on delayed payment of TDS / EPF /	-	(3.20)	(0.75)	(0.31)	(0.06)



Professional Tax / Service Tax & DDT					
(Less) : Packing & Fitting Materials	-	-	(3.77)	(3.89)	(1.90)
Add : Security Expenses	-	10.12	9.23	5.43	6.03
(Less) : Employment Cost related to Warehouse Staff	-	-	(0.01)	-	(51.32)
Add / (Less) : Preliminary Expenses written off	-	0.33	0.32	0.32	0.32
Add / (Less) : Insurance Claim	-	-	-	-	24.29
Add / (Less) : Loss / (Profit) on Disposal of Fixed Assets	-	-	0.09	-	-
Add / (Less): Donation Exps. Restated under other exps	-	1.61	-	-	-
Prior Year Tax Exps.	-	(8.53)	-	-	-
Other Exps. as Restated	658.98	1,057.07	1,098.44	498.03	604.13

**Table 19 : Reconciliation of Finance Cost**

- 1.) Interest on late payment of statutory dues restated under Finance Cost instead of Other Expenses as per Audited Financial Statements (AFS)
- 2.) Interest on Income Tax restated under Finance Cost instead of debited in Provision for Current Tax as per Audited Financial Statements (AFS)

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Finance Cost as per AFS	258.30	290.85	258.31	147.56	120.31
Interest on delayed payment of TDS / EPF / Professional Tax / Service Tax & DDT	-	3.20	0.75	0.31	0.06
Interest on Income Tax	3.84	7.91	0.61	0.37	0.43
Finance Cost as Restated	262.14	301.96	259.67	148.25	120.80

**Table 20 : Reconciliation of Reserves & Surplus**

- 1.) Opening Provision for Deferred Tax Liabilities as on 1st April 2012 created as per Point No. 17(3) Above
- 2.) Year Wise Changes on account of Material Adjustments as per Point No. 17 Above

(Amt. Rs. In Lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Reserves & Surplus as per AFS	754.26	543.84	413.51	303.53	277.96
Opening Deferred Tax Provision (Restated)	-	-	-	-	(8.58)
Material Adjustments Year Wise (Refer Point No. 17)	9.10	5.22	(8.74)	0.79	2.15



Impact of Material Adjustments of Earlier Years	(9.17)	(14.39)	(5.64)	(6.43)	-
Reserves & Surplus as Restated	754.18	534.67	399.12	297.89	271.53

The above standalone statement should be read with the restated standalone statement of assets and liabilities, standalone statement of profit & loss and cash flow statement as appearing in Annexures I, II and III respectively.

**ANNEXURE – A**  
**STATEMENT OF SHARE CAPITAL**

(Amount. Rs. In Lacs)

Particulars	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
<b>Share Capital</b>					
<b>Authorized Share Capital</b>					
Equity shares of Rs.10 each	1,25,00,000	5,00,000	5,00,000	5,00,000	5,00,000
Share Capital (Amt. Rs. In Lacs)	1,250.00	50.00	50.00	50.00	50.00
<b>Issued, Subscribed and Paid up Share Capital</b>					
Equity Shares of Rs. 10 each fully paid up	81,18,000	3,00,000	3,00,000	3,00,000	3,00,000
Share Capital (Amt. Rs. In Lacs)	811.80	30.00	30.00	30.00	30.00
<b>Total</b>	<b>811.80</b>	<b>30.00</b>	<b>30.00</b>	<b>30.00</b>	<b>30.00</b>

**Reconciliation of Number Of Shares outstanding at the beginning and at the end of the reporting period**

Particulars	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
<b>Equity Shares</b>					
Shares outstanding at the beginning of the year	3,00,000	3,00,000	3,00,000	3,00,000	3,00,000
Shares Issued during the year	78,18,000	-	-	-	-
Shares bought back during the year	-	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>81,18,000</b>	<b>3,00,000</b>	<b>3,00,000</b>	<b>3,00,000</b>	<b>3,00,000</b>

**Shares in the company held by each shareholder holding more than 5 percent shares**

Name of Shareholder	31-03-18		31-03-17		31-03-16		31-03-15		31-03-14	
	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding
Darshil U. Nandani	13,43,600	16.55 %	25,000	8.33 %	25,000	8.33 %	25,000	8.33 %	25,000	8.33 %
Deven D. Nandani	26,87,200	33.10 %	1,45,000	48.33 %	25,000	8.33 %	25,000	8.33 %	25,000	8.33 %
Dipeshkumar D. Nandani	-	-	-	-	1,20,000	40.00 %	1,20,000	40.00 %	1,20,000	40.00 %
Umeshkumar D. Nandani	9,13,120	11.25 %	-	-	-	-	-	-	-	-



Umeshkumar D. Nandani (HUF)	-	0.00 %	1,10,000	36.67 %	1,10,000	36.67 %	1,10,000	36.67 %	1,10,000	36.67 %
Nehaben U. Nandani	4,30,480	5.30 %	-	-	-	-	-	-	-	-
Parin U. Nandani	13,42,280	16.53 %	-	-	-	-	-	-	-	-
P. P. Furniture Pvt. Ltd.	14,00,000	17.25 %	-	-	-	-	-	-	-	-
	<b>81,16,680</b>		<b>2,80,000</b>		<b>2,80,000</b>		<b>2,80,000</b>		<b>2,80,000</b>	

**Shares issued other than cash, bonus issue and shares bought back**

Particulars	For the Year				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
<b>Equity Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	2,00,000	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	61,00,000	Nil	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil
<b>Unpaid Calls</b>	<b>31-03-18</b>	<b>31-03-17</b>			
By Directors	Nil	Nil			
By others	Nil	Nil			

**Notes:**

**1. Issue of Shares other than cash**

The Company issued 2 Lacs Equity Shares of Rs. 10 each in exchange of acquisition of 19 Lacs Equity Shares of Rs. 10 each of M/s. Pearl Furniture Pvt. Ltd. out of total 19.30 Lacs Equity Shares, from its various existing shareholders, as per the valuation report and exchange ratio determined by the Statutory Auditor of the company for the purpose of valuation of unquoted shares as per Rule 11UA read with 11UAA of the Income Tax Rules, 1962, by passing resolution for the same in its board meeting held on 28th May, 2017 and the allotment was made on 1st June, 2017, thereby resulting into acquisition of subsidiary company.

**2. Increase in Authorized Capital**

The Company's Authorized Share Capital was Rs. 50 Lacs comprising of 5,00,000 Equity Shares of Rs. 10/- each. The Company has increased its authorized share capital by passing resolution for increase in its authorized capital from Rs. 50 Lacs comprising of 5,00,000 Equity shares of Rs. 10/- each to Rs. 1250 Lacs comprising of 1,25,00,000 Equity Shares of Rs. 10/- each, in Extra – Ordinary general meeting held on 3rd March, 2018.

**3. Issue of Bonus Shares**

The Company issued 50 Lacs Equity Shares as fully paid up Bonus Shares in the ratio of 10:1 by capitalization of Reserves & Surplus and allotment done on 17th March, 2018 and then further allotted 11 Lacs Equity Shares as fully paid up Bonus Shares in the ratio of 1:5 by capitalization of Reserves & Surplus and allotment done on 24th March, 2018.





#### 4. Issue of Shares on Preferential Basis

The Company issued 15,18,000 Equity Shares as fully paid up Shares on Preferential Basis by passing special resolution in the Extra-Ordinary General Meeting held on 27th March, 2018 and allotment done on 29th March, 2018.

#### 5. Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share.

6. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

7. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

8. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

### ANNEXURE – B

#### RESTATED STANDALONE STATEMENT OF RESERVES AND SURPLUS

(Amt. Rs. In Lacs)

Particulars	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Securities Premium Account</b>					
Opening Balance	95.00	95.00	95.00	95.00	95.00
Add: Premium on shares issued during the year	567.74	-	-	-	-
Less : Utilized for Bonus Issue	(161.16)	-	-	-	-
<b>Closing Balance (A)</b>	<b>501.58</b>	<b>95.00</b>	<b>95.00</b>	<b>95.00</b>	<b>95.00</b>
<b>Surplus in Statement of Profit &amp; Loss</b>					
Opening Balance	439.67	304.12	202.89	176.53	115.71
Add : Profit for the year	261.78	135.54	101.57	27.53	60.82
Less : Utilized for Bonus Issue	(448.84)	-	-	-	-
Less : Fixed Assets transferred to Retained Earnings	-	-	(0.35)	(1.16)	-
<b>Closing Balance (B)</b>	<b>252.61</b>	<b>439.67</b>	<b>304.12</b>	<b>202.89</b>	<b>176.53</b>
<b>TOTAL</b>	<b>754.18</b>	<b>534.67</b>	<b>399.12</b>	<b>297.89</b>	<b>271.53</b>



**Notes:**

1. Company does not have any Revaluation Reserve.
2. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
3. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-C**  
**RESTATED STANDALONE STATEMENT OF LONG TERM BORROWINGS**

(Amt. Rs. In Lacs)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Long Term Borrowings</b>					
<b>Term Loans and Vehicle Loans</b>					
From Banks & Financial Institutions	952.13	504.44	-	38.51	94.71
<b>Loans and advances from related parties</b>					
From Directors / Erstwhile Directors / Shareholders	492.69	741.41	725.68	192.83	19.55
From Share Holders	-	122.55	198.32	218.14	346.72
From Relatives of Directors	-	-	3.60	17.02	25.78
From Others	-	4.02	8.66	2.31	-
<b>Inter Corporate Deposits</b>					
From Promoter Group Company	-	313.81	295.28	-	-
<b>TOTAL</b>	<b>1,444.82</b>	<b>1,686.23</b>	<b>1,231.54</b>	<b>468.82</b>	<b>486.77</b>
<b>Current portion of long-term borrowings, included under Other Current Liabilities</b>	34.53	18.59	44.44	26.30	23.34
<b>TOTAL LONG-TERM BORROWINGS</b>	<b>1,479.35</b>	<b>1,704.82</b>	<b>1,275.98</b>	<b>495.11</b>	<b>510.11</b>
<b>The above amount includes:</b>					
Secured Borrowings	986.66	523.03	44.44	64.81	118.05
Unsecured Borrowings	492.69	1,181.79	1,231.54	430.31	392.06
<b>TOTAL</b>	<b>1,479.35</b>	<b>1,704.82</b>	<b>1,275.98</b>	<b>495.11</b>	<b>510.11</b>

**Notes:**

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in Annexure-CF1 and CF -2 respectively.
2. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.



3. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-CF1**  
**RESTATED STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

(Amt. Rs. In Lacs)

A. Working Capital Facilities & Term Loans from Banks								
Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	As At	
							31-03-18	31-03-17
<b>Secured Borrowings</b>								
HDFC Bank Ltd.	Working Capital (Cash Credit)	1425.00 Lacs	Interest Rate ranging from 9.65% p.a. to 9.85% p.a.	<b>Primary Security :</b> NA  <b>Collateral Security :</b> As per Note 1  <b>Personal Guarantee :</b> As per Note 2	On Demand	NA	880.76	1,239.22
Capital First Ltd.	Business Loan (Loan Against Property)	293.50 Lacs	10.80% p.a. (Floating ROI)	As per Note 3	180 EMIs of Rs. 329915/- each starting from 5th Dec. 2016	Nil	270.58	478.79
Capital First Ltd.	Business Loan (Loan Against Property)	206.50 Lacs	10.80% p.a. (Floating ROI)	As per Note 4	180 EMIs of Rs. 232121/- each starting from 5th Dec. 2016	Nil		



ICICI Bank Ltd.	Business Loan (Loan Against Property)	335.00 Lacs	I-MCLR 1 Yr 8.30% + Spread @ 0.70% i.e. Effective Interest Rate 9.00% p.a.	As per Note 5	180 EMIs of Rs. 339780/- each starting from April 2018	Nil	325.31	-
ICICI Bank Ltd.	Business Loan (Loan Against Property)	345.00 Lacs	I-MCLR 1 Yr 8.30% + Spread @ 0.70% i.e. Effective Interest Rate 9.00% p.a.	As per Note 6	180 EMIs of Rs. 349922/- each starting from April 2018	Nil	335.02	-

**Notes:**

**HDFC Bank Ltd - Cash Credit Rs. 1425.00 Lacs**

**1. Collateral Security :**

Registered Equitable Mortgage of Commercial Property including Showroom situated at Sub Plot No. 6, Revenue Survey No. 149, Rajkot Gondal National Highway 8/B, Village Vavdi, Rajkot.

**2. Guarantee :** Personal Guarantee of Umeshkumar D. Nandani HUF, Umeshkumar D. Nandani, Devenbhai D. Nandani, Bindeshkumar D. Nandani and Darshil U Nandani

**Capital First Ltd. - Business Loan (Loan Against Property) Rs. 293.50 Lacs**

**3. Primary Security:** Shop No. 5, FF 101 to 109, SF 201 to 209, Apsara Chambers, Dhebar Road, Rajkot, Gujarat 360005 in the name of directors / relative of directors.

**Capital First Ltd. - Business Loan (Loan Against Property) Rs. 206.05 Lacs**

**4. Primary Security:** Poonam Furniture, 16 Milpara, Nr. Hotel Grand Regency, Dhebar Road, Rajkot, Gujarat 360005 in the name of directors / relative of directors.

(The above loan is fully repaid during the FY 17-18)

**ICICI Bank Ltd. - Business Loan (Loan Against Property) Rs. 335.00 Lacs**

**5. Security:** "Rushikesh" Bunglow No.-2, Parnakutir Society, Opp. Astron Society Garden, Parnakutir Main Road, Rajkot 360005 in the name of director / relative of directors.

**ICICI Bank Ltd. - Business Loan (Loan Against Property) Rs. 345.00 Lacs**

**6. Security:** "Shree Vallabh", Plot No. 62A, Panchvati Society Main Road, Opp. Bhaktidham Temple, Nr. Atithi Chowk, Rajkot 360005 in the name of director / relative of directors.



B. Business Loans / Vehicle Loans From Banks & Financial Institutions								
Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	As At	
							31-03-18	31-03-17
Daimler Financial Services India Ltd.	Vehicle Loan	31.11 Lacs	11.62 %	Hypothecation of Vehicle in the name of Director	36 Monthly Instalments comprising of 1st instalment of Rs. 73636 next 34 instalments of Rs. 59809 each and last instalment of Rs. 1899221	Nil	21.22	25.65

**ANNEXURE-CF2**

**STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

**Details Of Unsecured Loans outstanding as at the end of the respective periods from Directors / Erstwhile Directors / Shareholders / Relatives Of Directors / Others**

Unsecured Loans from Directors / Shareholders / Relatives of Directors / Others are generally at @ 9.00% p.a. to 12.35% p.a. interest rate, which can be reviewed as per mutually agreed terms from time to time.

Loans are long term in nature.

**Details of Unsecured Loans**

(Amt. Rs. In Lacs)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
From Directors / Erstwhile Directors / Shareholders	492.69	741.41	725.68	192.83	19.55
From Share Holders	-	122.55	198.32	218.14	346.72
From Relatives of Directors	-	-	3.60	17.02	25.78
From Group Companies (Inter Corporate Deposits)	-	313.81	295.28	-	-



From Others	-	4.02	8.66	2.31	-
<b>TOTAL</b>	<b>492.69</b>	<b>1,181.79</b>	<b>1,231.54</b>	<b>430.31</b>	<b>392.06</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.
3. List of persons classified as 'Relatives of Directors' has been determined by the Management and the same is being relied upon by the Auditors.



**ANNEXURE-D**  
**RESTATED STANDALONE STATEMENT OF OTHER NON-CURRENT LIABILITIES**

(Amt. Rs. In Lacs)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
Security Deposits	3.00	32.96	35.73	28.58	26.77
<b>TOTAL</b>	<b>3.00</b>	<b>32.96</b>	<b>35.73</b>	<b>28.58</b>	<b>26.77</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-E**  
**RESTATED STANDALONE STATEMENT OF LONG-TERM PROVISIONS**

(Amt. Rs. In Lacs)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
Provision for Gratuity (unfunded)	24.76	31.33	25.45	17.97	14.91
<b>TOTAL</b>	<b>24.76</b>	<b>31.33</b>	<b>25.45</b>	<b>17.97</b>	<b>14.91</b>

**Notes:**

1. The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2018 in FY 17-18 by classifying expenses related to FY 12-13 to FY 16-17 as prior period expenses. For the purpose of Restatement the figures for gratuity provision related to FY 13-14 to FY 17-18 have been debited to statement of profit and loss in the respective years and gratuity provision related FY 12-13 has been adjusted in the opening reserves, on the basis of actuarial valuation.
2. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
3. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.





**ANNEXURE-F**  
**RESTATED STANDALONE STATEMENT OF SHORT TERM BORROWINGS**

(Amt. Rs. In Lacs)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Short Term Borrowings</b>					
From Banks- Cash Credit	880.76	1,239.22	1,310.25	723.92	599.11
<b>TOTAL</b>	<b>880.76</b>	<b>1,239.22</b>	<b>1,310.25</b>	<b>723.92</b>	<b>599.11</b>
<b>Interest accrued but not due, included under Other current liabilities (short-term borrowings)</b>	-	-	-	-	-
<b>TOTAL SHORT-TERM</b>	<b>880.76</b>	<b>1,239.22</b>	<b>1,310.25</b>	<b>723.92</b>	<b>599.11</b>
<b>The above amount includes:</b>					
Secured Borrowings	880.76	1,239.22	1,310.25	723.92	599.11
Unsecured Borrowings	-	-	-	-	-
<b>TOTAL</b>	<b>880.76</b>	<b>1,239.22</b>	<b>1,310.25</b>	<b>723.92</b>	<b>599.11</b>

**Notes:**

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in Annexure-CF1 and CF -2 respectively.
2. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
3. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-G**  
**RESTATED STANDALONE STATEMENT OF TRADE PAYABLES**

(Amt. Rs. In Lacs)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Trade Payables</b>					
For Goods & Expenses - Micro, Small & Medium Enterprises	-	-	-	-	-
For Goods & Expenses – Others	493.82	570.16	612.39	252.80	137.26
<b>TOTAL</b>	<b>493.82</b>	<b>570.16</b>	<b>612.39</b>	<b>252.80</b>	<b>137.26</b>

<b>Of Above, Due Payable to Related Parties</b>					
Payables to Directors / Entities significantly influenced by directors	155.37	253.93	274.58	69.49	40.31



and/or by their relatives					
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**Notes:**

1. In the absence of information regarding outstanding dues of Micro or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same.
2. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
3. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-H**  
**RESTATED STANDALONE STATEMENT OF OTHER CURRENT LIABILITIES**

(Amt. Rs. In Lacs)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Current maturities of long-term borrowings</b>					
From Banks & Financial Institutions	34.53	18.59	44.44	26.30	23.34
Duties & Taxes / Statutory Liabilities	26.55	20.76	88.34	13.56	29.02
Advance from Customers	18.87	39.43	42.18	36.44	14.57
Security Deposits	-	6.00	6.00	7.00	1.00
Payables on Purchase of Fixed Assets	2.27	-	-	-	-
Other Payables	11.36	11.67	8.06	1.91	0.02
<b>TOTAL</b>	<b>93.57</b>	<b>96.44</b>	<b>189.02</b>	<b>85.20</b>	<b>67.95</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-I**  
**RESTATED STANDALONE STATEMENT OF SHORT-TERM PROVISIONS**

(Amt. Rs. In Lacs)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Provisions :</b>					
For Income Tax	136.07	76.05	65.57	22.31	24.93
Provision for Salary	1.20	3.10	4.43	2.70	1.34



Provision for Employee Benefits (Gratuity Provision - Short Term)	0.95	1.05	0.83	0.60	0.44
Provision for Expenses	18.67	43.64	59.05	17.89	12.59
<b>TOTAL</b>	<b>156.89</b>	<b>123.84</b>	<b>129.88</b>	<b>43.50</b>	<b>39.30</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-J**  
**RESTATED STANDALONE STATEMENT OF FIXED ASSETS**

(Amt. Rs. In Lacs)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Property, Plant &amp; Equipment (PPE)</b>					
<b><u>Equipments</u></b>					
Equipments	9.72	13.65	16.44	14.29	24.61
Air Conditioners	9.86	12.67	15.73	18.95	23.55
<b><u>Vehicles</u></b>					
Vehicles	94.72	108.81	66.09	14.08	25.05
<b><u>Office Equipments and Furniture &amp; Fixtures</u></b>					
Office Equipments	4.90	4.45	5.28	5.67	8.77
Furniture & Fixtures	40.29	52.57	49.69	40.81	25.49
<b><u>Computers &amp; Softwares</u></b>					
Computers, Servers & Networks	5.88	4.92	7.75	9.52	15.43
<b>Total Property, Plant &amp; Equipment</b>	<b>165.38</b>	<b>197.07</b>	<b>160.98</b>	<b>103.31</b>	<b>122.90</b>
<b>Transferred to Retained Earnings / Reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.16)</b>	<b>-</b>
<b>Net Property, Plant &amp; Equipment</b>	<b>165.38</b>	<b>197.07</b>	<b>160.98</b>	<b>102.15</b>	<b>122.90</b>
<b>Intangible Assets</b>					
Trademarks Purchased	5.00	-	-	-	-
<b>Total Intangible Assets</b>	<b>5.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Work-in-Progress</b>					
<b>Total Capital Work-in-Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>170.38</b>	<b>197.07</b>	<b>160.98</b>	<b>102.15</b>	<b>122.90</b>



**Notes:**

1. Rs. 1,16,067/- have been transferred to Retained Earnings / Reserves on account of useful life of assets already expired.
2. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
3. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-K**  
**RESTATED STANDALONE STATEMENT OF NON-CURRENT INVESTMENTS**

(Amt. Rs. In Lacs)

Particulars	Share	As at	Shar	As at	Shar	As at	Shar	As at	Shar	As at
	s		es		es		es		es	
	31-03-18	31-03-18	31-03-17	31-03-17	31-03-16	31-03-16	31-03-15	31-03-15	31-03-14	31-03-14
	Nos	Rs.	Nos	Rs.	Nos	Rs.	Nos	Rs.	Nos	Rs.
<b>Non Current Investments</b>										
<b>(Other Than Trade, at Cost)</b>										
<b>Investment in Equity, Unquoted</b>										
Shares of Pearl Furniture Pvt. Ltd. (Subsidiary Company)	19,00,000	405.58	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>19,00,000</b>	<b>405.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE- L**  
**RESTATED STANDALONE STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(Amt. Rs. In Lacs)

Particulars	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Opening Balance (A)	Rs.	Rs.	Rs.	Rs.	Rs.
Opening Balance of Deferred Tax (Asset) /	(35.32)	(30.09)	(17.41)	(11.68)	(9.43)



Liability					
Add : Opening (DTA) brought through slump sale	-	-	(9.85)	-	-
<b>Total (A)</b>	<b>(35.32)</b>	<b>(30.09)</b>	<b>(27.26)</b>	<b>(11.68)</b>	<b>(9.43)</b>
<b>Closing Balances (B)</b>					
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	(32.67)	(24.61)	(21.40)	(11.67)	(6.94)
(DTA) / DTL on account of gratuity provision	(8.50)	(10.71)	(8.69)	(5.74)	(4.74)
<b>Closing Balance of Deferred Tax (Asset) / Liability (B)</b>	<b>(41.17)</b>	<b>(35.32)</b>	<b>(30.09)</b>	<b>(17.41)</b>	<b>(11.68)</b>
<b>Current Year Provision (B-A)</b>	<b>(5.85)</b>	<b>(5.22)</b>	<b>(2.84)</b>	<b>(5.72)</b>	<b>(2.26)</b>

**Notes**

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-M**

**RESTATED STANDALONE STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(Amt. Rs. In Lacs)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Unsecured, Considered Good unless otherwise stated</b>					
Security Deposits	40.17	49.35	68.47	47.38	56.62
<b>TOTAL</b>	<b>40.17</b>	<b>49.35</b>	<b>68.47</b>	<b>47.38</b>	<b>56.62</b>

**Notes:**

1. None of the long term loans and advances as stated above are recoverable from Directors/ Promoters / Promoter group / Relatives of Directors / Group Company.
2. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.



3. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-N**

**RESTATED STANDALONE STATEMENT OF OTHER NON-CURRENT ASSETS**

(Amt. Rs. In Lacs)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Show Room Renovation Expenses</b>					
Show Room Renovation Expenses	-	-	17.89	23.86	16.41
<b>Preliminary &amp; Share Issue Expenses</b>					
Preliminary Expenses <i>(to the extent not written off)</i>	-	-	0.33	0.65	0.97
Share Issue Expenses <i>(to the extent not written off)</i>	18.88	-	-	-	-
Interest Accrued on Bank Deposits	13.29	6.94	2.19		
(Bank Deposits with original maturity of more than 12 Months)					
<b>TOTAL</b>	<b>32.16</b>	<b>6.94</b>	<b>20.41</b>	<b>24.50</b>	<b>17.38</b>

**Notes:**

- The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
- The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-O**

**RESTATED STANDALONE STATEMENT OF INVENTORIES**

(Amt. Rs. In Lacs)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Closing Inventories of</b>					
Traded Goods	1,863.11	2,000.28	1,749.46	1,238.31	921.96
<b>TOTAL</b>	<b>1,863.11</b>	<b>2,000.28</b>	<b>1,749.46</b>	<b>1,238.31</b>	<b>921.96</b>

As taken, valued and certified by the management of the company.



**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-P**  
**RESTATED STANDALONE STATEMENT OF TRADE RECEIVABLES**

(Amt. Rs. In Lacs)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>					
From Entities significantly influenced by directors and / or relatives	-	2.93	-	-	0.77
Others	642.70	859.85	89.65	63.07	46.39
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>					
From Directors / Entities significantly influenced by directors and / or relatives	12.07	1.04	0.11	0.31	1.18
Others	1,068.01	919.60	1,650.68	384.24	399.51
<b>TOTAL</b>	<b>1,722.78</b>	<b>1,783.43</b>	<b>1,740.45</b>	<b>447.62</b>	<b>447.84</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.
3. List of entities classified as 'Entities significantly influence by directors' has been determined by the Management and the same is being relied upon by the Auditors.





**ANNEXURE-Q**  
**RESTATED STANDALONE STATEMENT OF CASH & CASH EQUIVALENTS**

(Amt. Rs. In Lacs)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
a. Cash on Hand	3.01	10.06	24.50	14.22	10.92
b. Balances with Banks					
- In Current Accounts	4.73	31.77	1.58	0.72	9.07
- In Bank Deposits	-	-	-	-	-
- Deposits Accounts which have an original maturity of more than 12 months	224.99	124.72	102.48	9.68	-
c. Credit Card - Swipe Balance	0.02	0.02	0.02	-	-
<b>TOTAL</b>	<b>232.75</b>	<b>166.57</b>	<b>128.57</b>	<b>24.62</b>	<b>19.99</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-R**  
**RESTATED STANDALONE STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(Amt. Rs. In Lacs)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Unsecured, Considered Good unless otherwise stated</b>					
Prepaid Expenses	16.42	19.50	12.14	2.86	3.60
Advance Payment Against Taxes	114.21	49.72	8.28	19.11	26.89
Advance to Suppliers	13.76	24.71	36.72	16.43	16.13
Loans & Advance to Employees	10.55	11.47	7.69	7.36	4.30
Security Deposits	0.59	0.51	0.13	0.93	-
Other Receivables					
<b>TOTAL</b>	<b>155.51</b>	<b>105.91</b>	<b>64.95</b>	<b>46.68</b>	<b>50.93</b>
<b>Of Above, Advances Recoverable From Related Parties</b>					
Directors / Relatives of Directors / Entities significantly influenced by Directors and / or their relatives	-	0.01	9.60	2.09	-



**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-S**  
**RESTATED STANDALONE STATEMENT OF OTHER CURRENT ASSETS**

(Amt. Rs. In Lacs)

PARTICULARS	As At				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
Insurance Claim Receivable	-	-	-	-	24.29
<b>TOTAL</b>	-	-	-	-	<b>24.29</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-T**  
**RESTATED STANDALONE STATEMENT OF REVENUE FROM OPERATIONS**

**RESTATED STANDALONE STATEMENT OF REVENUE FROM SALE OF PRODUCTS**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
Sale of Merchanting & Other Goods	6,415.67	5,855.06	6,169.71	2,874.76	2,981.08
<b>Total</b>	<b>6,415.67</b>	<b>5,855.06</b>	<b>6,169.71</b>	<b>2,874.76</b>	<b>2,981.08</b>

**RESTATED STANDALONE STATEMENT OF OTHER INCOME**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Recurring Income:</b>					
Discount Received / Price Difference	-	-	-	0.73	-
Foreign Exchange Rate Difference (Net)	-	(1.57)	-	0.16	(6.57)



Interest Income	7.95	5.61	2.63	0.06	1.12
<b>Non-Recurring Income:</b>	-	-	-	-	-
Profit on Sale of Fixed Assets	2.00	10.79	-	0.02	0.74
Keyman Insurance Claim Received	-	100.00	-	-	-
Excess Provision Written Back	-	12.56	-	-	-
Insurance Claim	-	-	-	-	24.29
Balance Written Back	29.93	9.99	2.06	-	2.08
Other Misc. Income	3.80	1.61	4.06	0.05	0.03
<b>Total</b>	<b>43.67</b>	<b>38.98</b>	<b>8.75</b>	<b>1.02</b>	<b>21.68</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-U**

**RESTATED STANDALONE STATEMENT OF PURCHASE OF STOCK IN TRADE**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
Purchase of Stock in Trade	4,581.95	4,153.95	4,644.01	2,135.82	2,193.12
<b>Total</b>	<b>4,581.95</b>	<b>4,153.95</b>	<b>4,644.01</b>	<b>2,135.82</b>	<b>2,193.12</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively



**ANNEXURE-V**  
**RESTATED STANDALONE STATEMENT OF CHANGES IN INVENTORIES OF**  
**STOCK-IN-TRADE**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>a. Inventories (at close)</b>					
Stock-In-Trade	1,863.11	2,000.28	1,749.46	1,238.31	921.96
<b>Total (a)</b>	<b>1,863.11</b>	<b>2,000.28</b>	<b>1,749.46</b>	<b>1,238.31</b>	<b>921.96</b>
<b>b. Inventories (at commencement)</b>					
Stock-In-Trade	2,000.28	1,749.46	1,238.31	921.96	563.73
<b>Total (b)</b>	<b>2,000.28</b>	<b>1,749.46</b>	<b>1,238.31</b>	<b>921.96</b>	<b>563.73</b>
<b>Total (b-a)</b>	<b>137.16</b>	<b>(250.81)</b>	<b>(511.15)</b>	<b>(316.35)</b>	<b>(358.23)</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-W**  
**RESTATED STANDALONE STATEMENT OF EMPLOYEE BENEFIT EXPENSES**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
Salary, Wages and Bonus (including directors' remuneration)	354.28	414.41	425.88	273.15	310.90
Contribution to Provident Fund, Gratuity Fund Provision & Other Contribution	(0.46)	19.01	17.42	7.90	(2.21)
Staff Welfare Expenses	7.76	15.30	11.70	17.57	15.46
<b>Total</b>	<b>361.58</b>	<b>448.72</b>	<b>455.00</b>	<b>298.62</b>	<b>324.16</b>



**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-X**

**RESTATED STANDALONE STATEMENT OF OTHER EXPENSES**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>a. Operating Cost</b>					
Consumption of Electric, Power and Fuel	25.37	36.67	53.20	29.55	24.75
Freight Inward	8.32	16.02	33.66	13.70	3.00
Equipments Repairs & Maintenance	-	0.18	0.09	0.03	-
Building Repairs & Maintenance	0.21	1.11	11.58	1.18	12.93
Other Operating Expenses	5.64	0.89	1.24	0.95	0.02
<b>Total (a)</b>	<b>39.54</b>	<b>54.86</b>	<b>99.77</b>	<b>45.40</b>	<b>40.70</b>
<b>b. Sales &amp; Distribution Expenses</b>					
Advertisement	7.33	26.39	28.86	17.37	48.25
Sales Promotion Expenses	31.14	12.24	97.02	15.85	74.52
Discount & Commission Expenses	2.29	10.08	24.74	20.23	13.91
Fitting & Installation Expenses	21.05	79.06	33.41	7.28	33.06
Service Fees for Online Business	28.34	77.89	41.92	-	-
Transportation, Packing & Forwarding Expenses	135.84	250.86	190.08	62.99	73.15
Bad Debts W/o.	10.76	3.85	31.26	3.98	1.14
Rent	197.31	285.92	300.83	172.36	187.52
Other Selling & Distribution Expenses	23.23	45.85	38.87	32.71	11.94
<b>Total (b)</b>	<b>457.29</b>	<b>792.13</b>	<b>786.98</b>	<b>332.77</b>	<b>443.50</b>
<b>c. General &amp; Administration Expenses</b>					
Rates & Taxes	2.98	14.11	20.88	7.20	2.83
Conveyance, Tour and Travelling Expenses	53.53	69.80	71.57	47.46	39.27
Legal & Professional Expenses	11.89	21.51	25.11	7.75	14.72
Insurance	22.73	11.76	8.21	6.23	6.01
Preliminary Expenses W/o.	-	0.33	0.32	0.32	0.32
Loss on Disposal of Fixed Assets	-	-	0.09	-	-
Loading & Unloading Expenses	24.17	30.76	12.90	4.14	5.48
General Administration Expenses	46.84	61.82	72.62	46.75	51.30
<b>Total (c)</b>	<b>162.15</b>	<b>210.08</b>	<b>211.69</b>	<b>119.86</b>	<b>119.93</b>
<b>Total (a+b+c)</b>	<b>658.98</b>	<b>1,057.07</b>	<b>1,098.44</b>	<b>498.03</b>	<b>604.13</b>



**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-Y**  
**RESTATED STANDALONE STATEMENT OF FINANCE COSTS**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
Interest on Term Loans	111.99	148.37	104.95	67.63	64.64
Interest on Working Capital Facilities	125.99	129.48	134.05	74.65	48.97
Other Interest	4.14	11.10	1.36	0.69	0.48
Other Financial Charges	20.02	13.00	19.31	5.29	6.70
<b>Total</b>	<b>262.14</b>	<b>301.96</b>	<b>259.67</b>	<b>148.25</b>	<b>120.80</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-Z**  
**RESTATED STANDALONE STATEMENT OF DEPRECIATION AND AMORTIZATION**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
Depreciation as per Companies Act	68.06	58.76	64.12	48.75	30.41
Amortization of Showroom Renovation Expenses	-	17.99	5.96	17.84	5.52
<b>Total</b>	<b>68.06</b>	<b>76.75</b>	<b>70.09</b>	<b>66.59</b>	<b>35.93</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant



accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-AA**  
**RESTATED STANDALONE STATEMENT OF CONTINGENT LIABILITIES**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
VAT Matters (under dispute)	4.58	1.64	-	-	-
Guarantees given by bank on behalf of the Company	533.36	311.79	288.99	1.12	-
<b>Total</b>	<b>537.94</b>	<b>313.43</b>	<b>288.99</b>	<b>1.12</b>	<b>-</b>

Bank Guarantees issued for Work Orders received against which margin money / deposit has been paid in the respective years as per bank's norms.

**Note:**

The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-AB**  
**RESTATED STANDALONE STATEMENT OF RELATED PARTY TRANSACTION**

**Names of the related parties with whom transactions were carried out during the years and description of relationship:**

1	Umeshkumar Dhirajlal Nandani	-	Director (KMP)
2	Parin Umeshkumar Nandani	-	Director (KMP) (From 16th June, 2011 till 24th Feb, 2014 ) (From 3rd March, 2018 till date)
3	Deven Dipeshbhai Nandani	-	Director (KMP) (w.e.f. 27th July, 2016)
4	Dipeshbhai Dhirajlal Nandani	-	Erstwhile Director (Director upto 27th July, 2016)
5	Dhirajlal Laxmidas Nandani (HUF)	-	HUF of Relative of Director
6	Umeshkumar Dhirajlal Nandani (HUF)	-	HUF of Director / Shareholder
7	Dipeshbhai Dhirajlal Nandani (HUF)	-	HUF of Director
8	Darshil Umeshkumar Nandani	-	Relative of Director
9	Bindeshkumar Dhirajlal Nandani	-	Relative of Director / Shareholder (upto 5th March, 2018)
10	Dhirajlal Laxmidas Nandani	-	Relative of Director
11	Indiraben Dhirajlal Nandani	-	Relative of Director
12	Nehaben Umeshkumar Nandani	-	Relative of Director / Shareholder
13	Avniben Dipeshbhai Nandani	-	Relative of Erstwhile Director / Shareholder (upto 31st March, 2014)
14	Miraben Bindeshkumar Nandani	-	Relative of Director
15	Poojaben Parinbhai Nandani	-	Relative of Director / Shareholder (w.e.f. 5th March, 2018)
16	Pearl Furniture Private Limited	-	Entity significantly influenced by Directors &





		Relatives / Subsidiary Company (w.e.f. 1st June 2017)
17	Parin Motors	- Entity significantly influenced by Directors & Relatives
18	P.P. Furniture Private Limited	- Entity significantly influenced by Promoters / Shareholder (w.e.f. 27th March, 2018)
19	Paradise Furniture (Prop. Nehaben Umeshkumar Nandani)	- Entity significantly influenced by Relative of Director
20	Perfect Industries (Previously Known as Pearl Industries) (Prop. Umeshkumar Dhirajlal Nandani-HUF)	- Entity significantly influenced by HUF of Director
21	Deven Impex	- Entity significantly influenced by Promoter
22	Perfect Furniture (Prop. Nehaben Umeshkumar Nandani)	- Entity significantly influenced by Relative of Director
23	Poonam Furniture (Prop. Bindeshkumar Dhirajlal Nandani)	- Entity significantly influenced by Relative of Director
24	Prince Furniture	- Entity significantly influenced by Director & Relative

#### 1. Transactions with Key Management Personnel (Directors & Erstwhile Directors)

(Amt. Rs. In Lacs)

Sr. No	Nature of Transactions	For the Year Ended				
		31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
		Rs.	Rs.	Rs.	Rs.	Rs.
<b>A</b>	<b>Transaction During the Year</b>					
	<b>Directors' Remuneration</b>					
	Umeshkumar Dhirajlal Nandani	15.60	10.80	10.80	4.80	4.80
	Deven Dipeshbhai Nandani	9.60	-	-	-	-
	Parin Umeshkumar Nandani	-	-	-	-	5.00
	Dipeshbhai Dhirajlal Nandani	-	3.20	9.60	4.80	4.80
	<b>Rent</b>					
	Dipeshbhai Dhirajlal Nandani	-	9.60	9.60	9.60	9.60
	Deven Dipeshbhai Nandani	10.05	-	-	-	-
	<b>Unsecured Loans Accepted</b>					
	Umeshkumar Dhirajlal Nandani	226.70	10.00	72.16	-	5.30
	Dipeshbhai Dhirajlal Nandani	-	15.00	556.65	179.25	4.30
	Deven Dipeshbhai Nandani	110.88	729.74	-	-	-



		-	-	-	-	-
	<b>Unsecured Loans Repaid</b>	-	-	-	-	-
	Umeshkumar Dhirajlal Nandani	112.00	11.39	6.82	19.33	46.01
	Dipeshbhai Dhirajlal Nandani	-	736.96	139.94	8.15	9.43
	Parin Umeshkumar Nandani	-	-	-	-	39.43
	Deven Dipeshbhai Nandani	517.28	60.10	-	-	-
		-	-	-	-	-
	<b>Trademark Purchased</b>	-	-	-	-	-
	Deven Dipeshbhai Nandani	2.50	-	-	-	-
		-	-	-	-	-
	<b>Interest on Loan</b>	-	-	-	-	-
	Umeshkumar Dhirajlal Nandani	2.08	7.82	-	-	4.10
	Dipeshbhai Dhirajlal Nandani	-	61.61	50.80	21.52	0.24
	Parin Umeshkumar Nandani	-	-	-	-	0.62
	Deven Dipeshbhai Nandani	38.39	-	-	-	-
		-	-	-	-	-
	<b>Sales (Incl. Taxes)</b>	-	-	-	-	-
	Umeshkumar Dhirajlal Nandani	0.24	-	0.01	0.07	0.06
	Dipeshbhai Dhirajlal Nandani	-	0.06	-	0.03	0.01
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>					
	<b>For Directors' Remuneration, Rent Payable, Interest and Unsecured Loan Payable</b>					
	Umeshkumar Dhirajlal Nandani (Loan)	(188.56)	(71.78)	(65.34)	-	(19.33)
	Umeshkumar Dhirajlal Nandani (Salary)		0.01	-	-	-
	Deven Dipeshbhai Nandani (Loan)	(304.13)	(669.63)	-	-	-
	Parinbhai U. Nandani Loan	-	-	-	-	-
	Dipeshbhai Dhirajlal Nandani (Loan)	-	-	(660.34)	(192.83)	(0.22)
	Dipeshbhai Dhirajlal Nandani (Rent Payable)	-	(7.92)	-	-	-
	Umeshkumar Dhirajlal Nandani (Trade Receivables)					0.06
	Dipeshbhai Dhirajlal Nandani (Debtors)	-	-	-	0.03	-

## 2. Transactions with HUF of Directors / HUF of Relative of Directors

(Amt. Rs. In Lacs)

Sr. No	Nature of Transactions	For the Year Ended				
		31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
		Rs.	Rs.	Rs.	Rs.	Rs.
<b>A</b>	<b>Transaction During the Year</b>					
	<b>Interest on Loan</b>					
	Dhirajlal Laxmidas Nandani (HUF)	0.48	-	-	-	1.52
	Umeshkumar Dhirajlal Nandani (HUF)	10.99	7.94	12.44	21.75	35.20
	Dipeshbhai Dhirajlal Nandani (HUF)	-	0.97	0.02	0.21	0.34
		-	-	-	-	-
	<b>Trademark Purchased</b>	-	-	-	-	-
	Umeshkumar Dhirajlal Nandani (HUF)	2.50	-	-	-	-
		-	-	-	-	-



	<b>Royalty Expenses / Labour Expenses</b>	-	-	-	-	-
	Dhirajlal Laxmidas Nandani (HUF)	-	-	2.70	-	-
	Umeshkumar Dhirajlal Nandani (HUF)	4.80	4.80	4.80	4.80	-
	Dipeshbhai Dhirajlal Nandani (HUF)	4.80	4.80	4.80	4.80	-
		-	-	-	-	-
	<b>Royalty Paid in Advance</b>	-	-	-	-	-
	Umeshkumar Dhirajlal Nandani (HUF)	-	-	4.80	-	-
	Dipeshbhai Dhirajlal Nandani (HUF)	-	-	4.80	-	-
		-	-	-	-	-
	<b>Unsecured Loans Accepted</b>	-	-	-	-	-
	Dhirajlal Laxmidas Nandani (HUF)	-	4.02	-	3.40	3.40
	Umeshkumar Dhirajlal Nandani (HUF)	359.09	-	4.32	7.00	-
	Dipeshbhai Dhirajlal Nandani (HUF)	-	-	4.32	2.00	-
		-	-	-	-	-
	<b>Unsecured Loans Repaid</b>	-	-	-	-	-
	Dhirajlal Laxmidas Nandani (HUF)	4.50	-	-	25.00	0.15
	Umeshkumar Dhirajlal Nandani (HUF)	430.86	50.80	50.69	171.64	59.01
	Dipeshbhai Dhirajlal Nandani (HUF)	-	9.62	7.59	5.00	5.17
		-	-	-	-	-
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>					
	<b>For Royalty, Interest and Unsecured Loan Payable</b>					
	Dhirajlal Laxmidas Nandani (HUF) (Unsecured Loan Payable)	-	(4.02)	-	-	(21.60)
	Dhirajlal Laxmidas Nandani (HUF) (Trade Payables for Expenses)	-	-	(2.70)	-	-
	Umeshkumar Dhirajlal Nandani (HUF) (Unsecured Loan Payable)	-	(53.48)	(96.34)	(120.67)	(258.75)
	Dipeshbhai Dhirajlal Nandani (HUF) (Unsecured Loan Payable)	-	-	(8.66)	(2.31)	(0.30)
	Dipeshbhai Dhirajlal Nandani (HUF) (Royalty Payable)	(4.32)	-	-	-	-
	Umeshkumar Dhirajlal Nandani (HUF) (Royalty Paid in Advance)	-	-	4.80	-	-
	Dipeshbhai Dhirajlal Nandani (HUF) (Royalty Paid in Advance)	-	-	4.80	-	-



**Transaction with Relatives of Directors / Shareholders**

(Amt. Rs. In Lacs)

Sr. No	Nature of Transactions	For the Year Ended				
		31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
		Rs.	Rs.	Rs.	Rs.	Rs.
<b>A</b>	<b>Transaction During the Year</b>					
	<b>Staff Training Expenses</b>					
	Poojaben Parinbhai Nandani	-	1.56	-	-	-
	<b>Interest on Loan</b>					
	Darshil Umeshkumar Nandani	-	0.21	0.01	-	0.01
	Indiraben Dhirajlal Nandani	-	0.06	0.05	0.05	-
	Nehaben Umeshkumar Nandani	-	0.17	1.55	1.05	0.86
	Avniben Dipeshbhai Nandani	-	0.57	-	-	0.01
	<b>Unsecured Loans Accepted</b>					
	Darshil Umeshkumar Nandani	-	-	1.70	-	2.70
	Nehaben Umeshkumar Nandani	-	-	-	32.25	-
	Avniben Dipeshbhai Nandani	-	6.00	-	-	-
	Bindeshkumar Dhirajlal Nandani					24.00
	<b>Unsecured Loans Repaid</b>					
	Bindeshkumar Dhirajlal Nandani	-	-	-	-	24.00
	Darshil Umeshkumar Nandani	-	1.92	-	2.71	2.40
	Indiraben Dhirajlal Nandani	-	0.56	-	-	36.25
	Nehaben Umeshkumar Nandani	-	1.56	16.73	17.50	46.06
	Avniben Dipeshbhai Nandani	-	6.57	-	-	0.12
	<b>Advances Given</b>					
	Darshil Umeshkumar Nandani	-	-	-	1.00	-



	<b>Advances Received Back</b>					
	Darshil Umeshkumar Nandani	-	-	1.00	-	-
	<b>Sales</b>					
	Bindeshkumar Dhirajlal Nandani	-	-	-	-	0.03
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>					
	<b>For Salary, Advances Given, Interest and Unsecured Loan Payable</b>					
	Darshil U. Nandani Loan	-	-	(1.71)	-	(2.71)
	Indiraben D. Nandani	-	-	(0.50)	(0.44)	(0.40)
	Nehaben U. Nandani	-	-	(1.39)	(16.58)	(0.77)
	Darshil U. Nandani Advances Given	-	-	-	1.00	-

**3. Transactions with Companies / Entities Owned / Significantly Influenced by Directors and / or Relatives and transactions with Entity Significantly Influenced by HUF of Promoter**

(Amt. Rs. In Lacs)

Sr. No	Nature of Transactions	For the Year Ended				
		31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
		Rs.	Rs.	Rs.	Rs.	Rs.
<b>A</b>	<b>Transaction During the Year</b>					
	<b>Purchases (Incl. Taxes)</b>					
	Pearl Furniture Pvt. Ltd.	126.99	2,998.63	2,260.75	426.69	-
	Deven Impex	701.19	588.59	897.33	118.35	90.84
	P.P. Furniture Private Limited	-	-	-	367.51	466.31
	Paradise Furniture	0.28	5.59	3.21	10.46	17.97
	Perfect Industries (Previously known as Pearl Industries)	251.32	138.74	151.30	164.88	165.14
	Perfect Furniture	-	-	-	111.59	171.54
	Poonam Furniture	5.19	0.14	4.05	18.66	15.55
	Prince Furniture	16.55	56.21	64.28	22.90	68.51
	<b>Sales (Incl. Taxes)</b>					
	P.P. Furniture Private Limited	-	-	-	268.90	298.70
	Perfect Industries (Previously known as Pearl Industries)	3.17	1.73	7.92	0.44	6.80
	Prince Furniture	-	-	-	0.10	-
	Paradise Furniture	-	0.03	0.15	1.19	1.51
	Poonam Furniture	1.66	3.98	3.46	3.33	1.92



	Parin Motors	11.87	-	-	-	-
	<b>Acquisition through Slump Sale</b>					
	P.P. Furniture Private Limited	-	-	281.00	-	-
	<b>Interest on Unsecured Loan</b>					
	P.P. Furniture Private Limited	-	26.29	17.48	-	-
	<b>Unsecured Loans Accepted</b>					
	P.P. Furniture Private Limited	-	0.60	280.05	-	-
	<b>Unsecured Loans Repaid</b>					
	P.P. Furniture Private Limited	313.81	8.35	2.25	-	-
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>					
	<b>Trade Receivables / Advances to Suppliers</b>					
	Perfect Industries (Previously known as Pearl Industries) (Advances to Suppliers)	-	-	-	1.09	-
	Poonam Furniture (Trade Receivables)	-	3.86	0.03	0.28	1.88
	Paradise Furniture (Trade Receivables)	-	0.11	0.09	-	-
	Parin Motors (Trade Receivables)	12.07	-	-	-	-
	<b>Trade Payables / Advances from Customers</b>					
	Pearl Furniture Pvt. Ltd. (Trade Payables)	-	(133.53)	(149.19)	(22.83)	-
	Deven Impex (Trade Payables)	(94.95)	(17.49)	(90.00)	(36.50)	-
	P.P. Furniture Private Limited	-	-	-	-	-
	Paradise Furniture	-	-	-	(2.46)	-
	Perfect Industries (Previously known as Pearl Industries) (Trade Payables)	-	(60.39)	(27.23)	-	-
	Perfect Furniture (Trade Payables)	-	(5.45)	(5.45)	(7.70)	(2.51)
	Prince Furniture	(4.35)	(29.15)	-	-	(37.79)
	<b>Unsecured Loans Accepted</b>					
	P.P. Furniture Private Limited	-	(313.81)	(295.28)	-	-



4. Transactions with Subsidiary Company

(Amt. Rs. In Lacs)

Sr. No	Nature of Transactions	For the Year Ended				
		31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
		Rs.	Rs.	Rs.	Rs.	Rs.
<b>A</b>	<b>Transaction During the Year</b>					
	<b>Purchases (Incl. Taxes)</b>					
	Pearl Furniture Pvt. Ltd.	2,862.53	-	-	-	-
	<b>Investments Made / (Sold)</b>					
	Pearl Furniture Pvt. Ltd.	405.58	-	-	-	-
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>					
	<b>Trade Payables</b>					
	Pearl Furniture Pvt. Ltd.	(51.75)	-	-	-	-
	<b>For Investments Made</b>					
	Pearl Furniture Pvt. Ltd.	405.58	-	-	-	-

**ANNEXURE-AC**  
**RESTATED STANDALONE CAPITALISATION STATEMENT**

(Amt. Rs. In Lacs)

Particulars	Pre-Issue	Post-Issue *
	As on 31st March, 2018	
Debt		
Short Term Debt (Short Term Borrowings)	880.76	[•]
Long Term Debt (Long Term Borrowings)	1,479.35	[•]
<b>Total Debt</b>	<b>2,360.10</b>	[•]
Shareholders' Fund (Equity)		[•]
Share Capital	811.80	[•]
Reserves & Surplus	754.18	[•]
Less: Miscellaneous Expenses not w/off	(18.88)	[•]
<b>Total Shareholders' Fund (Equity)</b>	<b>1,547.11</b>	[•]
Long Term Debt/Equity	<b>0.96</b>	[•]
Total Debt/Equity	<b>1.53</b>	[•]

(\*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

**Notes:**

- The Company issued 2 Lacs Equity Shares of Rs. 10 each in exchange of acquisition of 19 Lacs Equity Shares of Rs. 10 each of M/s. Pearl Furniture Pvt. Ltd. out of total 19.30 Lacs Equity Shares, from its various existing shareholders, as per the valuation report and exchange ratio determined by the Statutory Auditor of the company for the purpose of valuation of unquoted shares as per Rule 11UA read with 11UAA of the Income Tax Rules, 1962, by passing resolution for the same in its board meeting held on 28th May, 2017 and the allotment was made on 1st June, 2017, thereby resulting into acquisition of subsidiary company.





2. The Company issued 50 Lacs Equity Shares as fully paid up Bonus Shares in the ratio of 10:1 by capitalization of Reserves & Surplus and allotment done on 17th March, 2018 and then further allotted 11 Lacs Equity Shares as fully paid up Bonus Shares in the ratio of 1:5 by capitalization of Reserves & Surplus and allotment done on 24th March, 2018.
3. The Company issued 15,18,000 Equity Shares as fully paid up Shares on Preferential Basis by passing special resolution in the Extra-Ordinary General Meeting held on 27th March, 2018 and allotment done on 29th March, 2018.
4. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
5. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
6. The figures disclosed above are based on re stated statement of Assets and Liabilities of the Company as at 31.03.18.

**ANNEXURE-AD**  
**RESTATED STANDALONE SUMMARY OF MANDATORY ACCOUNTING RATIOS**

(Amt Rs. in Lacs unless otherwise stated)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
Face Value per equity Share (Amt. in Rs.)	10	10	10	10	10
(i) Earnings/ (losses) Per Share (Amt. in Rs.)					
- Basic and Diluted Earnings/ (losses) Per Share [a/b]	3.98	3.42	2.56	0.70	1.54
(ii) Return on Net Worth (in %) [a/d]	16.92%	24.00%	23.69%	8.41%	20.24%
(iii) Net Assets Value per Share (in Rs.)					
- Restated Net Assets Value per Share (Amt. in Rs.) [d/c]	322.95	188.22	142.93	109.08	100.18
- Restated Net Assets Value per Share (Adjusted for Bonus Issue) (Amt. in Rs.) [d/c1]	19.06	14.26	10.83	8.26	7.59
(a) Net profit available for appropriation (as restated)	261.78	135.54	101.57	27.53	60.82
(b) Weighted average numbers of equity shares for calculating Basic and diluted EPS. (Adjusted for Bonus Shares)	65,79,052	39,60,000	39,60,000	39,60,000	39,60,000
(c) No. of equity shares outstanding at the end of the year. (Pre-Bonus Issue)	4,79,052	3,00,000	3,00,000	3,00,000	3,00,000
(c1) No. of equity shares outstanding at the end of the year. (Adjusted for Bonus Shares)	81,18,000	39,60,000	39,60,000	39,60,000	39,60,000
(d) Net Worth as at the end of the period/year (as restated)	1,547.11	564.67	428.80	327.24	300.55

(Refer Note 5 for details of bonus issue)

(Refer Note 6 for details of preferential issue)



**Notes:**

1. The above ratios are calculated as under:

a) Basic and Diluted Earnings per Share = 
$$\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Weighted average number of equity shares outstanding during the year}}$$

b) Return on Net Worth (%) = 
$$\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Net worth as at the year end}}$$

c) Net Asset Value Per Equity Share = 
$$\frac{\text{Net Worth as at the end of the period/year}}{\text{Number of equity shares outstanding at the end of the Year}}$$

2. Net Worth means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account;
3. Earnings Per Share (EPS) calculations are in accordance with the Accounting Standard 20 "Earnings Per Share" prescribed under the Companies (Accounting Standards) Rules, 2006.
4. The figures disclosed above are based on the restated standalone financial information of the Company.
5. The Company issued 50 Lacs Equity Shares as fully paid up Bonus Shares in the ratio of 10:1 by capitalization of Reserves & Surplus and allotment done on 17th March, 2018 and then further allotted 11 Lacs Equity Shares as fully Bonus Shares in the ratio of 1:5 by capitalization of Reserves & Surplus and allotment done on 24th March, 2018.
6. The Company issued 15,18,000 Equity Shares as fully paid up Shares on Preferential Basis by passing special resolution in the Extra-Ordinary General Meeting held on 27th March, 2018 and allotment done on 29th March, 2018.



**ANNEXURE-AE**  
**RESTATED STANDALONE STATEMENT OF TAX SHELTER**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Tax Computation as per normal tax provisions</b>					
<b>Restated Profit before tax</b>	<b>389.47</b>	<b>206.42</b>	<b>162.39</b>	<b>44.82</b>	<b>82.85</b>
MAT rate including surcharge	20.39%	20.39%	20.39%	19.06%	19.06%
Normal Tax rate including surcharge for Regular Income	33.063%	33.063%	33.063%	30.90%	30.90%
<b>Normal Tax on above</b>	<b>128.77</b>	<b>68.25</b>	<b>53.69</b>	<b>13.85</b>	<b>25.60</b>
<b>Adjustments:</b>					
<i>Add : Disallowable / Exempt Incomes</i>					
Interest on Income Tax	3.84	7.91	0.61	0.37	0.43
Interest on TDS / DDT	0.13	-	0.01	0.10	0.01
Depreciation as per Companies Act	68.06	58.76	64.12	48.75	30.41
Provision for Gratuity	(6.68)	6.10	7.72	3.21	(2.64)
Loss on Sale of Fixed Assets	-	-	0.09	-	-
Donation debited in books of accounts	0.83	1.61	0.63	0.73	0.99
<i>Less : Allowable</i>					
Depreciation as per Income Tax Act	(41.84)	(38.81)	(37.25)	(25.51)	(30.14)
Donation allowable as per Income Tax Act	(0.25)	(0.30)	-	(0.26)	(0.49)
Profit on Sale of Fixed Assets	(2.00)	(10.79)	-	(0.02)	(0.74)
<i>Other Adjustments:</i>					
Deduction u/s. 80GGB	-	(0.90)	-	-	-
<b>Total Adjustments</b>	<b>22.09</b>	<b>23.58</b>	<b>35.92</b>	<b>27.37</b>	<b>(2.18)</b>
Tax expense/(saving) thereon	7.30	7.80	11.88	8.46	(0.67)
<b>Tax Payable as per Normal Provisions (A)</b>	<b>136.07</b>	<b>76.05</b>	<b>65.57</b>	<b>22.31</b>	<b>24.93</b>
<b>Tax Computation as per MAT provisions</b>					
<b>Restated Book Profit before tax</b>	<b>389.47</b>	<b>206.42</b>	<b>162.39</b>	<b>44.82</b>	<b>82.85</b>
MAT Tax on Above	79.41	42.09	33.11	8.54	15.79
<i>Add :</i>					
Interest on TDS / DDT	0.13	-	0.01	0.10	0.01
<i>Less :</i>					
<b>Total Adjustments</b>	<b>0.13</b>	<b>-</b>	<b>0.01</b>	<b>0.10</b>	<b>0.01</b>
Tax expense/(saving) thereon	0.03	-	0.00	0.02	0.00
<b>Tax Payable as per MAT Provisions (B)</b>	<b>79.44</b>	<b>42.09</b>	<b>33.11</b>	<b>8.56</b>	<b>15.79</b>
<b>Gross Tax Payable (w.e.i. higher)</b>	<b>136.07</b>	<b>76.05</b>	<b>65.57</b>	<b>22.31</b>	<b>24.93</b>



**ANNEXURE-AF**  
**RESTATED STANDALONE STATEMENT OF DIVIDEND DECLARED**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended				
	31-03-18	31-03-17	31-03-16	31-03-15	31-03-14
<b>Class of Shares</b>					
Equity Share of Rs. 10 each	10	10	10	10	10
<b>Rate of Dividend (%)</b>					
Interim Dividend	Nil	Nil	Nil	Nil	Nil
Final Dividend	Nil	Nil	Nil	Nil	Nil



**INDEPENDENT AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL STATEMENTS OF "PARIN FURNITURE LTD."**

(As required by Section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,  
The Board of Directors,  
**PARIN FURNITURE LTD.**  
Plot No. 6, Revenue Survey No. 149,  
National Highway,  
At Vavdi, Gondal Road,  
Rajkot, Gujarat, India, 360 004.

Dear Sirs,

**Report on Restated Consolidated Financial Statements**

1. We have examined, as appropriate (refer paragraphs 3 and 4 below), the attached Restated Consolidated Financial Statements of **PARIN FURNITURE LTD.** (hereinafter referred as "the Company"), **PEARL FURNITURE PVT. LTD.** ("Subsidiary Company"), (collectively known as the "Group") as at 31<sup>st</sup> March, 2018 and the related Restated Consolidated Statement of Profit & Loss for the financial year ended on 31<sup>st</sup> March, 2018 and Restated Consolidated Statement of Cash Flow the financial year ended on 31<sup>st</sup> March, 2018 (collectively "Restated Consolidated Summary Statements" or "Restated Consolidated Financial Statements"). These Restated Consolidated Summary Statements have been prepared by the company and approved by the Board of Directors of the Company in connection with Initial Public Offering (IPO) of Equity Shares on SME Emerge Platform of National Stock Exchange of India Limited ("NSE")
2. These Restated Consolidated Summary Statements have been prepared in accordance with the requirements of:
  - i) Section 26 of Companies Act, 2013 (hereinafter referred to as the "Act") read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended;
  - ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") ("SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (SEBI) and related amendments / clarifications made thereto from time to time;
  - iii) The terms of reference to our engagements with the Company, requesting us to examine the consolidated financial statements referred to above and proposed to be included in the Draft offer Document / offer Document of the Company in connection with its proposed initial public offer of equity shares on Emerge Platform of National Stock Exchange of India Limited ("NSE") ("IPO" or "SME IPO") and
  - iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ('ICAI') ("Guidance Note")



3. The Restated Consolidated Summary Statements of the Company have been extracted by the Management from the Audited Consolidated Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March, 2018 which have been approved by the Board of Directors.
4. Audit of the Consolidated Financial statements for the year ended 31<sup>st</sup> March, 2018 has been conducted by Company's Statutory Auditors, M/s Bhavin Associates, Chartered Accountants (F. R. No. 101383W).

Further, Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018 have been re-audited by us as required under the SEBI ICDR Regulations. This report, in so far as it relates to the amounts included for the financial years ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 which were audited by the Statutory Auditors M/s Bhavin Associates, Chartered Accountants (F. R. No. 101383W) is based on the audited consolidated financial statements of the Company and whose Auditor's Reports have been relied upon by us for the said periods.

5. In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Consolidated Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (the 'ICAI') and the terms of our engagement agreed with you, we report that:
  - (i) The "Restated Consolidated Statement of Assets and Liabilities" as set out in **Annexure I** to this report, of the Company as at 31<sup>st</sup> March, 2018 are prepared by the Company and approved by the Board of Directors. These Consolidated Statement of Assets & Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual consolidated financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Consolidated Summary Statements as set out in **Annexure IV** to this Report.
  - (ii) The "Restated Consolidated Statement of Profit & Loss" as set out in **Annexure II** to this report, of the Company for the financial year ended 31<sup>st</sup> March, 2018 are prepared by the Company and approved by the Board of Directors. These Consolidated Statement of Profit & Loss, as restated have been arrived at after making such adjustments and regroupings to the individual consolidated financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Consolidated Summary Statements as set out in **Annexure IV** to this Report.
  - (iii) The "Restated Consolidated Statement of Cash Flow" as set out in **Annexure III** to this report, of the Company for the financial years ended 31<sup>st</sup> March, 2018 are prepared by the Company and approved by the Board of Directors. These Consolidated Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual consolidated financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Consolidated Summary Statements as set out in **Annexure IV** to this Report.
6. Based on the above and according to information and explanations given to us, and also as per the reliance placed on the reports submitted by the statutory auditors M/s Bhavin Associates, Chartered Accountants (F. R. No. 101383W) for the respective periods / years, we are of the opinion that the Restated Consolidated Financial Statements have been made after incorporating:



- a) Adjustments if any, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods.
  - b) Adjustments for prior period and other material amounts, if any in the respective financial years to which they relate and there are not qualifications which require adjustments.
  - c) There are no exceptional and extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments.
  - d) These Profits / (Losses) have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regroupings as in our opinion are appropriate and are to be read in accordance with Significant Accounting Policies and Notes to the Restated Consolidated Summary Statements as set out in **Annexure IV** to this Report.
7. We have examined the following regrouped/ rearranged consolidated financial information relating to the Company, proposed to be included in the Draft offer Document / offer Document (“Offer Document”), as approved by the Board of Directors of the Company and attached to this report for the financial year ended on 31<sup>st</sup> March, 2018.
- (i) Restated Consolidated Statement of Share Capital & Minority Interest enclosed as **Annexure A**
  - (ii) Restated Consolidated Statement of Reserves & Surplus enclosed as **Annexure B**
  - (iii) Restated Consolidated Statement of Long Term Borrowings enclosed as **Annexure C**
  - (iv) Restated Consolidated Statement of Principal Terms of Secured Loans And Assets Charged As Security (**Annexure CF1**)
  - (v) Restated Consolidated Statement of Principal Terms of Unsecured Loans (**Annexure CF2**)
  - (vi) Restated Consolidated Statement of Other Non-Current Liabilities enclosed as **Annexure D**
  - (vii) Restated Consolidated Statement of Long Term Provisions enclosed as **Annexure E**
  - (viii) Restated Consolidated Statement of Short Term Borrowings enclosed as **Annexure F**
  - (ix) Restated Consolidated Statement of Trade Payables enclosed as **Annexure G**
  - (x) Restated Consolidated Statement of Other Current Liabilities enclosed as **Annexure H**
  - (xi) Restated Consolidated Statement of Short Term Provisions enclosed as **Annexure I**
  - (xii) Restated Consolidated Statement of Fixed Assets enclosed as **Annexure J**
  - (xiii) Restated Consolidated Statement of Deferred Tax Assets enclosed as **Annexure K**
  - (xiv) Restated Consolidated Statement of Long Term Loans & Advances enclosed as **Annexure L**
  - (xv) Restated Consolidated Statement of Other Non-Current Assets enclosed as **Annexure M**
  - (xvi) Restated Consolidated Statement of Inventories enclosed as **Annexure N**
  - (xvii) Restated Consolidated Statement of Trade Receivables enclosed as **Annexure O**
  - (xviii) Restated Consolidated Statement of Cash & Cash Equivalents enclosed as **Annexure P**
  - (xix) Restated Consolidated Statement of Short Term Loans & Advances enclosed as **Annexure Q**
  - (xx) Restated Consolidated Statement of Other Current Assets enclosed as **Annexure R**
  - (xxi) Restated Consolidated Statement of Revenue from Operations and Other Income enclosed as **Annexure S**
  - (xxii) Restated Consolidated Statement of Cost of Materials consumed enclosed as **Annexure T**
  - (xxiii) Restated Consolidated Statement of Purchase of Stock-In-Trade enclosed as **Annexure U**
  - (xxiv) Restated Consolidated Statement of Changes in Inventories of Stock-In-Trade enclosed as **Annexure V**
  - (xxv) Restated Consolidated Statement of Employee Benefit Expenses enclosed as **Annexure W**
  - (xxvi) Restated Consolidated Statement of Other Expenses enclosed as **Annexure X**
  - (xxvii) Restated Consolidated Statement of Finance Costs enclosed as **Annexure Y**
  - (xxviii) Restated Consolidated Statement of Depreciation & Amortization enclosed as **Annexure Z**
  - (xxix) Restated Consolidated Statement of Contingent Liabilities as **Annexure AA**





- (xxx) Restated Consolidated Statement of Related Party Transactions enclosed as **Annexure AB**
- (xxxi) Restated Consolidated Statement of Capitalization as at 31<sup>st</sup> March, 2018 (pre-issue) and as adjusted for this issue (post issue) subject to reliance being placed on management representation in respect of post issue figures contained in the Statement of Capitalization enclosed as **Annexure AC**
- (xxxii) Restated Consolidated Summary of Mandatory accounting ratios based on adjusted profits/losses, relating to earnings per share, net assets value per share and return on net worth enclosed as **Annexure AD**
- (xxxiii) Restated Consolidated Statement of Tax Shelter enclosed as **Annexure AE**
- (xxxiv) Restated Consolidated Statement of Dividend Declared enclosed as **Annexure AF**

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the statutory auditors M/s Bhavin Associates, Chartered Accountants (F. R. No. 101383W), in our opinion, the Restated Consolidated Financial Statements for the year ended March 31, 2018, read with Restated Consolidated Significant Accounting Policies disclosed in **Annexure IV** are prepared after making adjustments and regroupings / reclassification as considered appropriate (Refer **Annexure IV**) and have been prepared in accordance with the Act, Rules, ICDR Regulations and the Guidance Note.

8. We, M/s. J. B. Shah & Co., Chartered Accountants, (F. R. No. 121333W) have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate No. 009310 dated September 16, 2016 issued by the "Peer Review Board" of the ICAI.
9. The preparation and presentation of the consolidated financial statements referred to above are based on the Audited consolidated financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Consolidated Financial Statements and information referred to above is the responsibility of the Company.
10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor this report be construed as a new opinion on any of the consolidated financial statements referred to therein.
11. We have no responsibility to update our report for the events and circumstances occurring after the date of our report.
12. In our opinion, the above consolidated financial information contained in **Annexure I** to **Annexure AF** read with respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** are prepared after making adjustments and regroupings 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 Consolidated 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. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
13. Consequently the consolidated financial information has been prepared after making such regroupings and retrospective adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the consolidated financial information may not necessarily be same as those appearing in the respective audited consolidated financial statements for the relevant years.



14. This report is intended solely for the use of Management and for the inclusion in the offer Document in connection with the proposed Initial Public Offer – SME IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

#### **15. Auditors' Responsibility**

Our responsibility is to express an opinion on these restated consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

#### **16. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the restated consolidated 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 Consolidated Statement of Assets and Liabilities of the Company, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018.
- b) In the case of the Restated Consolidated Statement of Profit and Loss, of the profits of the Company for the Year ended on that date; and
- c) In the case of the Restated Consolidated Cash Flow Statement, of the cash flows of the Company for the Year ended on that date.

**For, J B Shah & Co.**  
**Chartered Accountants**  
Firm No. – 121333W

**CA. Jasmin B. Shah**  
**Proprietor**  
M. No.: 046238  
Place: Rajkot  
Date: 30<sup>th</sup> April, 2018



**ANNEXURE-I**  
**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)**

(Amt. Rs. In Lacs)

	Particulars	Annx.	As At
			31-03-18
			Rs.
<b>(1)</b>	<b>Equity &amp; Liabilities</b>		
	Shareholders' Funds		
	(a) Share Capital	<b>A</b>	811.80
	(b) Reserves & Surplus	<b>B</b>	881.31
			<b>1,693.11</b>
<b>(2)</b>	<b>Minority Interest</b>	<b>A</b>	8.40
			<b>8.40</b>
<b>(3)</b>	<b>Non Current Liabilities</b>		
	(a) Long-term borrowings	<b>C</b>	1,472.82
	(b) Other Non-Current Liabilities	<b>D</b>	3.00
	(c) Long-term provisions	<b>E</b>	30.42
			<b>1,506.24</b>
<b>(4)</b>	<b>Current liabilities</b>		
	(a) Short-term borrowings	<b>F</b>	1,384.91
	(b) Trade payables	<b>G</b>	
	- Dues to Micro & Small Enterprises		-
	- Dues to Other Than Micro & Small Enterprises		715.78
	(c) Other current liabilities	<b>H</b>	213.60
	(d) Short-term provisions	<b>I</b>	222.15
			<b>2,536.44</b>
	<b>Total</b>		<b>5,744.18</b>
	<b>Assets</b>		
<b>(5)</b>	<b>Non-current assets</b>		
	(a) Fixed Assets	<b>J</b>	
	- Property, Plant & Equipment		548.09
	- Intangible Assets		10.51
	- Capital Work-In-Progress		36.77
	(b) Deferred Tax Assets	<b>K</b>	17.65
	(c) Long-term loans and advances	<b>L</b>	48.01
	(d) Other non-current assets	<b>M</b>	43.73
			<b>704.76</b>
<b>(6)</b>	<b>Current Assets</b>		
	(a) Inventories	<b>N</b>	2,842.01
	(b) Trade Receivables	<b>O</b>	1,778.67
	(c) Cash & Bank Balances	<b>P</b>	234.28
	(d) Short Term Loans & Advances	<b>Q</b>	176.63
	(e) Other Current Assets	<b>R</b>	7.82
			<b>5,039.42</b>
	<b>Total</b>		<b>5,744.18</b>



**Note:** The above consolidated statement should be read with the restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures II, III and IV respectively

**ANNEXURE-II**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS (AS RESTATED)**

(Amt. Rs. In Lacs)

Particulars	Annx	For The Year Ended
		31-03-18
<b>Continuing Operations</b>		
<b>Revenue from operations:</b>	<b>S</b>	
- Revenue From Sale of Products		6,485.32
<b>Net Revenue from operations</b>		<b>6,485.32</b>
Other income	<b>S</b>	47.04
<b>Total Revenue (A)</b>		<b>6,532.36</b>
<b>Expenses:</b>		
Cost of Materials & Stores Consumed	<b>T</b>	1,723.70
Purchase of Stock-in-trade	<b>U</b>	2,227.86
Changes in Inventories of Stock-in-Trade	<b>V</b>	102.86
Employee Benefits Expenses	<b>W</b>	594.20
Other Expenses	<b>X</b>	852.52
<b>Total Expenses (B)</b>		<b>5,501.15</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>		<b>1,031.22</b>
Finance Costs	<b>Y</b>	332.74
Depreciation and Amortization Expenses	<b>Z</b>	100.38
<b>Net Profit before exceptional items, extraordinary items and tax (C=A-B)</b>		<b>598.10</b>
Exceptional Items (D)		-
<b>Net Profit before extraordinary items and tax (E=C-D)</b>		<b>598.10</b>
Extraordinary Items (F)		-
<b>Net Profit before tax (G=E-F)</b>		<b>598.10</b>
<b>Provision for Tax</b>		
- Current Tax		191.85
- Tax adjustment of prior years		(2.53)
- Deferred Tax Liability / (Asset)		(10.28)
- MAT Credit Entitlement		-
<b>Tax Expense For The Year (H)</b>		<b>179.03</b>
<b>Restated Net Profit after tax from Continuing Operations before share of Minority Interest (I=G-H)</b>		<b>419.06</b>
<b>Less : Share in Profit of Subsidiary Firm attributable to Minority Interest (J)</b>		<b>2.44</b>
<b>Restated Net Profit after tax from Continuing Operations (K=I-J)</b>		<b>416.62</b>
<b>Net Profit from Discontinuing Operations (L)</b>		<b>-</b>
<b>Restated Net Profit for the year from total operations (M=K+L)</b>		<b>416.62</b>

**Note:** The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, III and IV respectively



**ANNEXURE-III**  
**CONSOLIDATED CASHFLOW STATEMENT (AS RESTATED)**

(Amt. Rs. In Lacs)

Particulars	For the Year ended
	31-03-18
<b>1.Cash Flow From Operating Activities:</b>	
<b>Net Profit before tax and extraordinary item</b>	<b>598.10</b>
<i>Adjustments for:</i>	
Depreciation Expenses	98.59
Finance Cost	332.74
Interest Received / Other Non Operative Receipts	(9.95)
<b>Operating Profit before Changes in Operating Assets &amp; Liabilities</b>	<b>1,019.48</b>
<i>Adjustments for:</i>	
Inventories	79.29
Trade Receivables	59.25
Short Term & Long Term Loans & Advances	(36.07)
Other Current Assets	(0.36)
Trade Payables	(92.02)
Other Current Liabilities	35.53
Other Non-Current Liabilities	(29.96)
Short Term & Long Term Provisions	(49.61)
Other Non Current Assets	(16.50)
<b>Changes in Operating Assets &amp; Liabilities</b>	<b>(50.45)</b>
Cash Flow from Extra-Ordinary Items	-
<b>Cash Generated from Operations</b>	<b>969.03</b>
Taxes Paid	(104.09)
<b>Net Cash from Operating Activities</b>	<b>864.94</b>
<b>2. Cash Flow From Investing Activities:</b>	
Fixed Assets / Other Assets Purchased (Net)	(72.35)
Interest Received/ Other Non Operative Receipts	9.95
<b>Net Cash from Investing Activities</b>	<b>(62.40)</b>
<b>3. Cash Flow From Financing Activities:</b>	
Proceeds from Short term borrowings	(231.93)
Proceeds from Long term borrowings	(505.41)
Dividend & DDT Paid	0.00
Proceeds from Issue of Shares (Preferential Allotment)	333.96
Finance Cost	(332.74)
<b>Net Cash from Financing Activities</b>	<b>(736.12)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>66.42</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>167.87</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>234.28</b>



**Note:**

<b>1. Components of Cash &amp; Cash Equivalents :</b>	
<b>Particulars</b>	<b>31-03-18</b>
Cash on Hand	4.55
Balances with Scheduled Banks	
In Current Accounts	4.73
In Earmarked / Deposit Accounts	224.99
Others (Credit Card - Swipe Balance)	0.02
<b>Total Cash &amp; Cash Equivalents</b>	<b>234.28</b>

2. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).
3. Figures in Brackets represents outflow.
4. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, consolidated statement of profit & loss, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II and IV respectively



## ANNEXURE-IV

### SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

#### Accompanying Consolidated Financial Statements (As Restated)

##### The Company

**PARIN FURNITURE LIMITED** (the Company) was originally incorporated as **PARIN FURNITURE PRIVATE LIMITED** under the provisions of the Companies Act, 1956 with Certificate of Incorporation dated September 12, 2006 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli, (CIN **U36101GJ2006PTC049074**). Further, pursuant to Special Resolution passed by the shareholders at the **Extra Ordinary General Meeting held on March 17th, 2018**, our company was converted into a Public Limited Company and consequently the name of our Company was changed from **"Parin Furniture Private Limited"** to **"Parin Furniture Limited"** vide a fresh Certificate of Incorporation dated **April 4th, 2018** issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of our Company is U36101GJ2006PLC049074

##### **Nature of Operations**

The Company is engaged in the Business Activities of Furniture, Fixtures & its related items, with its Head Office at Rajkot, Gujarat and various locations in India.

#### **I. SIGNIFICANT ACCOUNTING POLICIES:**

##### **Basis of preparation of Consolidated Financial Statements**

These Consolidated financial statements as restated are prepared under the historical cost basis of accounting and evaluated on a going concern basis, with revenues and expenses accounted for on their accrual to comply in all material aspects with the applicable accounting principles and applicable Accounting Standards notified under section 133 of the Companies Act 2013 and the relevant provisions of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

The Consolidated Financial Statements for the year ended 31st March, 2018 have been prepared in accordance with Schedule III of the Companies Act, 2013. For the purpose of inclusion in the offer document, audited consolidated financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements. However, adoption of Schedule III of the Companies Act, 2013 has significant impact on presentation and disclosures made in the financial statements for these years.

The accounting policies have been consistently applied by respective companies; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP'). The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year.

##### **Principles of Consolidation**

**a.** The Consolidated Financial Statements are prepared in accordance with principles and procedures required for preparation and presentation of Consolidated Financial Statements as laid down under Accounting Standard 21 "Consolidated Financial Statements". The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.





b. The Financial Statements of the Subsidiary Company are being consolidated based on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealized profits or losses unless cost can't be recovered, thereby resulting into Capital Reserve on Consolidation of Subsidiary Company. Both the financial statements have been drawn upto the same reporting date as that of the company. The Consolidation period covers a period of 12 Months in case of Holding Company and 10 Months (w.e.f. 1st June, 2017) in case of Subsidiary Company.

c. As per the shareholding of Subsidiary Company, the company has differential ownership rights in the assets and liabilities of the Subsidiary Company. Adjustment to the interest arising due to change in assets and liabilities are adjusted to capital reserve and minority interest of the Group.

d. The excess / shortfall of cost to the Parent Company of its investment over its share of equity in the consolidated subsidiary company at the respective dates on which the investment in such firm was made is recognized in the consolidated financial statements as goodwill / capital reserve.

e. Minority interest in the net assets of consolidated subsidiary company consists of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary company were made and further movement in their share in the equity, subsequent to the dates of investments. Net profit for the period of subsidiary company attributable to the minority interest is identified and adjusted against the profit after tax of the group in order to arrive at the income attributable to shareholders of the Company.

f. Following Subsidiary Company has been considered in the preparation of the Consolidated Financial Statements

Sr. No.	Name of Entity	% of Ownership held by the Company as at 31st March, 2018
1	Pearl Furniture Pvt. Ltd.	98.45%

**Use of estimates**

The preparation of consolidated financial statements require estimates and assumptions to be made that affect the reported balances of assets as on the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when the Management becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the consolidated financial statements.

**Change in accounting estimate**

Pursuant to Companies Act, 2013 being effective from 1 April 2014, the Company has revised the depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.

The following significant accounting policies are adopted in the preparation and presentation of these standalone financial statements:

**1. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.



#### Sales of Goods:

Sales are recognized when significant risks and rewards of ownership of goods have been passed to the buyer. Purchases & Sales are recorded net of duties & taxes, for which input tax credit is available.

#### Other Income:

Other Income are recognized on accrual basis in the year in which right to receive the same is established.

#### Interest:

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

### **2. Tangible Fixed assets**

Gross fixed assets are stated at cost of acquisition including incidental expenses relating to acquisition and installation. Fixed Assets are stated at cost net of modvat / cenvat / other credits and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All pre-operative costs, including specific financing cost till commencement of commercial production, net charges on foreign exchange contracts and adjustment arising from foreign exchange rate variations attributable to the fixed assets are capitalized.

### **3. Depreciation**

Depreciation on fixed assets is provided on Written Down Value Method (WDV) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 up to the years ended on 31/03/2014. For the period after 01/04/2014, the depreciation on fixed assets is provided at the rates arrived at on the basis of useful life / remaining useful life and in the manner as prescribed in, Part C, Schedule II of the Companies Act, 2013 as per Written Down Value Method (WDV) only. In respect of assets whose useful life is already exhausted as on 1st April, 2014, the carrying amount as on 1st April, 2014 after retaining the Scrap Value, has been adjusted through retained earnings in FY 14-15.

#### **HOLDING COMPANY**

The details of useful life of an asset and its residual value estimated by the management are as follows:-

Type of Asset	Useful Life as per Schedule II from April 1, 2014	Rates Applied FY 13-14
Equipments	15 Years	13.91%
Air Conditioners	15 Years	13.91%
Vehicles - Two Wheelers	10 Years	25.89%
Vehicles - Four Wheelers	8 Years	25.89%
Office Equipments	5 Years	13.91%
Furniture & Fixtures	10 Years	18.10%
Computers & Softwares	3 Years	40.00%

#### **SUBSIDIARY COMPANY**

The details of useful life of an asset and its residual value estimated by the management are as follows:-

Type of Asset	Useful Life as per Management
Plant & Machineries	46 Years
Furniture & Fittings	30 Years
Office Equipments	14 Years
Computers & Printers	8 Years
Computers Servers & Networks	18 Years
Electric Installations	30 Years
Motor Vehicles (Four Vehicles)	24 Years



Design Bed Series (Intangibles)	5 Years
---------------------------------	---------

In none of the case the residual value of an asset is more than five per cent of the original cost of the asset

The useful lives taken by the management are based on internal assessment and technical evaluation carried out by the management.

#### 4. Other Non-Current Assets

Other Non-Current Assets comprises of Factory Renovation Expenses, Preliminary & Pre-Operative Expenses, Share Issue Expenses and Interest Accrued on Bank Deposits with original maturity of more than 12 Months. Factory Renovation Expenses done on rented premises are written off over a period of time during which the benefit of the said expenses are estimated to be useful in the opinion of the management of the Company.

#### 5. Inventories

Inventories of Raw Materials, Semi-Finished Goods, Finished Goods, Traded Goods are stated at cost or net realizable value, whichever is lower. Cost comprises all cost of purchase and other costs which are being incurred in bringing the inventories to their present location and condition. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

#### 6. Retirement Benefits & Other Employee benefits

##### Defined-contribution plans:

Defined contribution to provident fund is charged to the profit and loss account on accrual basis.

##### Defined-benefit plans:

Provision for gratuity liability is provided based on actuarial valuation made covering all the period.

Leave encashment expenditure, if any is charged to profit and loss account at the time of leave encashed and paid. Bonus expenditure is charged to profit and loss account on accrual basis.

#### 7. Foreign exchange transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the net gain or loss is recognized in the profit and loss account. All other foreign currency gain or losses are recognized in the profit and loss account.

#### 8. Lease Accounting

Operating Leases: Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognized as an expense in the statement of statement of profit and loss. Initial direct cost in respect of the lease acquired are expensed out in the year in which such costs are incurred.

#### 9. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

#### 10. Taxes on Income

Tax expenses comprise Current Tax / Minimum Alternate Tax (MAT) and deferred tax charge or credit.

Current tax -Provision for current tax / Minimum Alternate Tax (MAT) is made based on tax liability computed after considering tax allowances and exemptions, in accordance with the provisions of The Income Tax Act, 1961.



Deferred tax -Deferred tax assets and liability is recognized, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising mainly on account of brought forward losses, unabsorbed depreciation and minimum alternate tax under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realization. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

#### **11. Earnings per share:**

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the consolidated financial statements are approved by the board of directors, if any.

#### **12. Provisions and contingent liabilities**

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates 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 contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Contingent liabilities are disclosed by way of notes to the accounts.

Contingent assets are not recognized.

#### **13. Cash & Cash Equivalents**

Cash and cash equivalents in the cash flow statement comprise cash at bank & on hand.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

#### **14. Segment Reporting**

In accordance with Accounting Standard-17 – “Segment Reporting” issued by the Institute of Chartered Accountants of India, the Company has identified its business segment as "Business activities of Furniture, Fixtures & its related items". There are no other primary reportable segments. The major and material activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosures are also not applicable.



## 15. Preliminary & Pre-Operative Expenses

Preliminary Expenses incurred for at the time of incorporation of the company are being written off over a period of 10 years, in case of holding company and Preliminary Expenses & Pre-Operative Expenses are being written off over a period of 5 years, in case of Subsidiary Company.

## II. NOTES TO RESTATED SUMMARY STATEMENT:

The consolidated financial statements for the year ended March 31, 2018 are prepared as per Schedule III of the Companies Act, 2013. Accordingly, the figures of the previous years have also been re-classified to confirm to classification as per the Schedule III. The adoption of revised schedule VI and Schedule III for the figures of the previous year does not impact recognition and measurement principles followed for the preparation of these consolidated financial statements.

### 1. Contingent liabilities and commitments (to the extent not provided for)

A disclosure for a contingent liability is also made when there is a possible obligation that may, require an outflow of the Company's resources.

### 2. Disclosure as required u/s. 22 of Micro, Small and Medium Enterprises Development Act, 2006

In the absence of information regarding outstanding dues of Micro or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same.

### 3. Related Party Transactions

Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure-AB of the enclosed consolidated financial statements.

### 4. Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year is as under:

(Amt. Rs. in Lacs)

Particulars	For the Year Ended
	2017-18
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	(7.52)
(DTA) on account of gratuity provision	(10.12)
<b>Net Deferred Tax (Asset)/Liability</b>	<b>(17.65)</b>

### 5. Directors' Remuneration

HOLDING COMPANY		(Amt. Rs. In Lacs)
Particulars	2017-18	
Directors' Salary	25.20	
<b>Total</b>	<b>25.20</b>	
SUBSIDIARY COMPANY (10M)		(Amt. Rs. In Lacs)
Particulars	2017-18	
Directors' Salary	18.90	
<b>Total</b>	<b>18.90</b>	



## 6. Auditors' Remuneration:

### HOLDING COMPANY

(Amt. Rs. In Lacs)

Particulars	2017-18
a. As Auditors	
Statutory & Tax Audit Fees	0.50
<b>Total</b>	<b>0.50</b>

### SUBSIDIARY COMPANY

(Amt. Rs. In Lacs)

Particulars	2017-18
a. As Auditors	
Statutory & Tax Audit Fees	0.25
<b>Total</b>	<b>0.25</b>

## 7. Earnings Per Share :

Earnings per Share have been calculated as under:

(Amt. Rs. In Lacs, except for EPS)

Particulars	For the Year Ended
	2017-18
A. Number of Shares at the beginning of the year	3,00,000
Shares issued during the year	
- Allotment (Fresh Issue) (1st June, 2017)	2,00,000
- Allotment (Bonus Issue) (17th March, 2018)	50,00,000
- Allotment (Bonus Issue) (24th March, 2018)	11,00,000
- Allotment (Preferential Issue) (29th March, 2018)	15,18,000
B. Total Number of equity shares outstanding at the end of the year	81,18,000
C. Weighted average number of equity shares outstanding during the year (Considering Bonus Issue)	65,79,052
D. Net profit after tax available for equity shareholders (as restated)	416.62
E. Basic and Diluted earnings per share (Rs.) (D/C)	6.33

8. Figures have been rearranged and regrouped wherever practicable and considered necessary.

9. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

10. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.



### 11. Employee benefits:

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:

#### HOLDING COMPANY

##### (a) Defined Benefit Plan (Gratuity)

(Amt. Rs. In Lacs)

Particulars	For the Year Ended
	2017-18
	<b>Rs.</b>
<b>1. The amounts recognized in the Balance Sheet are as follows:</b>	
Present value of unfunded obligations recognized	25.71
<b>Net Liability</b>	<b>25.71</b>
<b>2. The amounts recognized in the Profit &amp; Loss A/c are as follows:</b>	
Current Service Cost	5.33
Interest on Defined Benefit Obligation	2.49
Net Actuarial Losses / (Gains) Recognized in Year	(14.50)
Past Service Cost	-
Total, Included in "Salaries, allowances & welfare"	-
	<b>(6.68)</b>
<b>3. Changes in the present value of defined benefit obligation:</b>	
Defined benefit obligation as at the beginning of the year/period	32.38
Service cost	5.33
Interest cost	2.49
Actuarial Losses/(Gains)	(14.50)
Past Service Cost	-
<b>Defined benefit obligation as at the end of the year/period</b>	<b>25.71</b>
<b>Current / Non-Current Liability</b>	
<b>Current Liability</b> (classified as Short Term Provision)	0.95
<b>Non-Current Liability</b> (classified as Long Term Provision)	24.76
	<b>25.71</b>
<b>Benefit Description</b>	
Benefit Type	
Retirement Age:	60 Years
Vesting Period:	5 Years
<b>The principal actuarial assumptions for the above are:</b>	
Future Salary Rise:	5.50% p.a.
Discount rate per annum:	7.70% p.a.



Withdrawal Rate: (Per Annum)	2% at younger ages and reducing to 1% at older ages according to graduated scale
Mortality Rate:	IALM 06-08 Ultimate

### SUBSIDIARY COMPANY

Particulars	For 10 Months
	31-03-2018
	<b>Rs.</b>
<b>1. The amounts recognized in the Balance Sheet are as follows:</b>	
Present value of unfunded obligations recognized	5.90
<b>Net Liability</b>	<b>5.90</b>
<b>2. The amounts recognized in the Profit &amp; Loss A/c are as follows:</b>	
Current Service Cost	2.36
Interest on Defined Benefit Obligation	0.27
Net Actuarial Losses / (Gains) Recognized in Year	(1.20)
Past Service Cost	-
Total, Included in "Salaries, allowances & welfare"	-
	<b>1.43</b>
<b>3. Changes in the present value of defined benefit obligation:</b>	
Defined benefit obligation as at the beginning of the year/period	4.47
Service cost	2.36
Interest cost	0.27
Actuarial Losses/(Gains)	(1.20)
Past Service Cost	-
<b>Defined benefit obligation as at the end of the year/period</b>	<b>5.90</b>
<b>Current / Non-Current Liability</b>	
<b>Current Liability</b> (classified as Short Term Provision)	0.24
<b>Non-Current Liability</b> (classified as Long Term Provision)	5.66
	<b>5.90</b>
<b>Benefit Description</b>	
Benefit Type	
Retirement Age:	60 Years
Vesting Period:	5 Years
<b>The principal actuarial assumptions for the above are:</b>	
Future Salary Rise:	5.50% p.a.
Discount rate per annum:	7.70% p.a.





Withdrawal Rate: (Per Annum)	2% at younger ages and reducing to 1% at older ages according to graduated scale
Mortality Rate:	IALM 06-08 Ultimate

**(b) Defined Contribution Plans**

The Company is registered with the Regional Provident Fund Commissioner for the Employees' Provident Fund Scheme. Contributions to Provident Fund are included under head Employee Benefit Expenses in the Statement of profit and loss.

(Amt. Rs. In Lacs)

**HOLDING COMPANY**

Particulars	For the Year Ended
	2017-18
Employees Provident Fund (EPF)	6.20

**SUBSIDIARY COMPANY**

Particulars	For 10 Months
	31-03-2018
Employees Provident Fund (EPF)	5.71

**12. Realizations**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

**13. Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

**14. Amounts in the Consolidated Financial Statements**

Amounts in the consolidated financial statements are rounded off to nearest lac rupees. Figures in brackets indicate negative values.

**15. Previous year's figures**

The Revised Schedule VI has become effective from 1 April, 2011 and Schedule III has become effective from 1st April, 2014 for the preparation of consolidated financial statements. Previous Year's figures wherever disclosed have been disclosed, re-classified, regrouped accordingly.

**16. Leases**

**Operating Lease**

Operating leases are mainly in the nature of office rent and godown rent with no restrictions and are renewable by mutual consent. Lease rental payments made by the Company are recognized in the statement of profit and loss.

**Lease payments recognized in statement of profit & loss :**

(Amt. Rs. In Lacs)

**HOLDING COMPANY**

Particulars	For the Year Ended
	2017-18
Lease Rentals Paid / Provided for	197.31



**SUBSIDIARY COMPANY**

Particulars	10 Months
	31-03-2018
Lease Rentals Paid / Provided for	42.50

**17. Material Adjustments**

Appropriate adjustments have been made in the restated consolidated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule VI and Accounting Standards.

**Statement of Adjustments in the Consolidated Financial Statements:**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended
	2017-18
Net Profits after tax and extraordinary items as per audited accounts but before Adjustments: (A)	375.17
<b>Adjustment on Account of :</b>	
1. Add / (Less) : Adjustment of Gratuity Provision	36.56
2. Add / (Less) : Adjustment of Deferred Tax Provision	2.49
3. Add / (Less) : Adjustment of Depreciation	3.61
4. Adjustment of IT Provision	(0.70)
5. Add / (Less) : Adjustment of Share in Profit available to Minority Interest	(0.51)
<b>Total (B)</b>	41.45
<b>Net Profit as Restated (A+B)</b>	<b>416.62</b>

**NOTE ON RESTATEMENTS :-**

**1. Provision of Gratuity**

The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2018 in FY 17-18 by classifying expenses related to FY 12-13 to FY 16-17 as prior period expenses. For the purpose of Restatement the figures for gratuity provision related to FY 13-14 to FY 17-18 have been debited to statement of profit and loss in the respective years and gratuity provision related FY 12-13 has been adjusted in the opening reserves, on the basis of actuarial valuation.

**2. Adjustment of Deferred Tax Provision**

Adjustment of deferred tax provision [being deferred tax (asset) / liability] is on account of some restated temporary differences being restated unpaid gratuity and restated closing WDV's as per books and as per income tax act, as the same has not been worked out in the books of accounts of the company. However, the same has been provided for in the year ended 31st March, 2018.

Adjustment of deferred tax provision [being deferred tax (asset) / liability] is on account of some restated temporary differences being restated unpaid gratuity and restated closing WDV's as per books and as per income tax act, as the same has not been worked out in the books of accounts of the company. However, the same has been provided for in the year ended 31st March, 2018.



### 3. Adjustment of Depreciation

Adjustment of depreciation is on account of incorrect useful life being considered in some of the fixed assets during FY 14-15 to FY 16-17. However, the cumulative impact of the same in case of existing assets has been provided in the audited financial statements for the year ended 31st March, 2018.

### 4. Adjustment of IT Provision

Adjustment of IT Provision is on account of restated taxable income arrived at after giving effect of above mentioned material adjustments and as per normal rules of income tax provision.

### 5. Adjustment of Share in Profit available to Minority Interest

Adjustment of Share in Profit of Subsidiary Company available to Minority Interest is on account of material adjustment made in subsidiary company resulting into change in profit after tax as per restated financial statements and audited financial statements.

## 18. Material Regrouping in Restated Consolidated Financial Statements

Appropriate adjustments have been made in the Restated Consolidated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (as amended) The following tables signify material regroupings carried out in restated consolidated financial statements:

**Table 1: Reconciliation of Other Current Liabilities**

- 1.) Salary Payable restated under Short Term Provisions instead of Other Current Liabilities instead of as per Audited Financial Statements (AFS)
- 2.) Other Payables restated under Other Current Liabilities instead of being grouped under advance to creditors as per Audited Financial Statements (AFS)

(Amt. Rs. In Lacs)

Particulars	2017-18
Other Current Liabilities as per AFS	214.62
Salary Payable	(1.20)
Other Payables	0.18
Other Current Liabilities as Restated	213.60

**Table 2: Reconciliation of Short Term Provisions**

- 1.) Difference in Income Tax Provision (Restated) and as per Audited Financial Statements (AFS)
- 2.) Gross Income Tax Provision disclosed in Restated Financial Statements for all year instead of showing income tax provision (net of advance tax) as per Audited Financial Statements (AFS) for FY 16-17 and FY 17-18
- 3.) Salary Payable restated under Short Term Provisions instead of Other Current Liabilities instead of Other Current Liabilities as per Audited Financial Statements (AFS)

(Amt. Rs. In Lacs)

Particulars	2017-18
Short Term Provisions as per AFS	171.26
Diff in IT Provision	(0.32)
Gross Provision for IT shown (Advance Tax Amount)	50.00
Salary Payable	1.20
Short Term Provisions as Restated	222.15



**Table 3: Reconciliation of Long Term Loans & Advances**

Security Deposits restated under Long Term Loans & Advances instead of other non-current assets as per Audited Financial Statements.

(Amt. Rs. In Lacs)

Particulars	2017-18
Long Term Loans & Advances as per AFS	40.17
Security Deposit	7.84
Long Term Loans & Advances as Restated	48.01

**Table 4 : Reconciliation of Other Non-Current Assets**

- 1.) Security Deposits restated under Long Term Loans & Advances instead of Other Non-Current Assets
- 2.) Interest Subsidy Receivable restated under Other Current Assets instead of Other Non-Current Assets as per Audited Financial Statements.

(Amt. Rs. In Lacs)

Particulars	2017-18
Other Non-Current Assets as per AFS	59.39
Security Deposits	(7.84)
Interest Subsidy	(7.82)
Other Non-Current Assets as Restated	43.73

**Table 5 : Reconciliation of Short Term Loans & Advances**

- 1.) Gross Income Tax Provision disclosed in Restated Financial Statements for all year instead of showing income tax provision (net of advance tax) as per Audited Financial Statements (AFS) for FY 16-17 and FY 17-18
- 2.) Other Payables restated under Other Current Liabilities instead of being grouped under advance to creditors as per Audited Financial Statements (AFS)

(Amt. Rs. In Lacs)

Particulars	2017-18
Short Term Loans & Advances as per AFS	126.45
Advance Tax	50.00
Other Payables	0.18
Short Term Loans & Advances as Restated	176.63

**Table 6: Reconciliation of Other Current Assets**

Interest Subsidy Receivable restated under Other Current Assets instead of Other Non-Current Assets as per Audited Financial Statements.

(Amt. Rs. In Lacs)

Particulars	2017-18
Other Current Assets as per AFS	-
Interest Subsidy	7.82
Other Current Assets as Restated	7.82

**Table 7: Reconciliation of Other Income**

Foreign Exchange Loss adjusted against Foreign Exchange Gain and restated under Other Income instead of Exceptional / Other Expenses as per Audited Financial Statements (AFS)



(Amt. Rs. In Lacs)

Particulars	2017-18
Other Income as per AFS	47.34
Add / (Less) : Foreign Exchange Loss debited in Other Expenses	(0.29)
Other Income as Restated	47.04

**Table 8: Reconciliation of Employee Benefit Expense**

Security Expenses restated under other expenses instead of Employee Benefit Expenses as per Audited Financial Statements.

(Amt. Rs. In Lacs)

Particulars	2017-18
Employee Benefit Exps. as per AFS	598.79
Security Exps.	(4.59)
Employee Benefit Exps. as Restated	594.20

**Table 9: Reconciliation of Other Expenses**

- 1.) Foreign Exchange Loss adjusted against Foreign Exchange Gain and restated under Other Income instead of Other Expenses as per Audited Financial Statements (AFS)
- 2.) Security Expenses restated under other expenses instead of Employee Benefit Expenses as per Audited Financial Statements.
- 3.) Factory Renovation Exps. W/o. (Rented premises) Restated under Amortization Expenses instead of Other Expenses as per Audited Financial Statements.
- 4.) Preliminary Expenses written off considered as normal business expenditure instead of extra-ordinary / exceptional items as per audited financial statements
- 5.) CST on purchase from outside state restated under cost of materials consumed instead of other expenses as per Audited Financial Statements.

(Amt. Rs. In Lacs)

Particulars	2017-18
Other Exps. as per AFS (Direct Exps, Administrative Exps.)	848.45
Foreign Exchange Rate Diff.	(0.29)
Add : Security Expenses	4.59
Factory Renovation Exps. W/o. (Rented Premises)	(1.79)
Preliminary Exps.	1.69
CST on Purchases restated under cost of materials consumed	(0.12)
Other Exps. as Restated	852.52

**Table 10: Reconciliation of Finance Cost**

Interest on Income Tax restated under Finance Cost instead of debited in Provision for Current Tax as per Audited Financial Statements (AFS)

(Amt. Rs. In Lacs)

Particulars	2017-18
Finance Cost as per AFS	328.90
Interest on Income Tax	3.84
Finance Cost as Restated	332.74



**Table 11: Reconciliation of Reserves & Surplus**

(Amt. Rs. In Lacs)

Particulars	2017-18
Reserves & Surplus as per AFS	881.00
Income Tax Adjustment (Consolidated FY 17-18)	0.31
Reserves & Surplus as Restated	881.31

The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, consolidated statement of profit & loss and cash flow statement as appearing in Annexures I, II and III respectively

**ANNEXURE – A**

**RESTATED CONSOLIDATED STATEMENT OF SHARE CAPITAL**

(Amt. Rs. In Lacs)

Particulars	As At
	31-03-18
<b>Share Capital</b>	
<b>Authorized Share Capital</b>	
Equity shares of Rs.10 each	1,25,00,000
Share Capital (Amt. Rs. In Lacs)	1,250.00
<b>Issued, Subscribed and Paid up Share Capital</b>	
Equity Shares of Rs. 10 each fully paid up	81,18,000
Share Capital (Amt. Rs. In Lacs)	811.80
<b>Total</b>	<b>811.80</b>

**Reconciliation of Number Of Shares outstanding at the beginning and at the end of the reporting period**

Particulars	As At
	31-03-18
<b>Equity Shares</b>	
Shares outstanding at the beginning of the year	3,00,000
Shares Issued during the year	78,18,000
Shares bought back during the year	-
<b>Shares outstanding at the end of the year</b>	<b>81,18,000</b>

**Shares in the company held by each shareholder holding more than 5 percent shares**

Name of Shareholder	31-03-18	
	No. Of Shares held	% of Holding
Darshil U. Nandani	13,43,600	16.55%
Deven D. Nandani	26,87,200	33.10%
Umeshkumar D. Nandani	9,13,120	11.25%
Nehaben U. Nandani	4,30,480	5.30%
Parin U. Nandani	13,42,280	16.53%



P. P. Furniture Pvt. Ltd.	14,00,000	17.25%
	<b>81,16,680</b>	

**Shares issued other than cash, bonus issue and shares bought back**

Particulars	For the Year
	31-03-18
<b>Equity Shares :</b>	
Fully paid up pursuant to contract(s) without payment being received in cash	2,00,000
Fully paid up by way of bonus shares	61,00,000
Shares bought back	Nil
<b>Unpaid Calls</b>	<b>31-03-18</b>
By Directors	Nil
By others	Nil

**Details of Minority Interest in Subsidiary Company - Pearl Furniture Pvt. Ltd.**

Particulars	31-03-2018					
	No. of Shares	% of Total Shares	Amt. (Rs.)	Share in Opening Reserves	Share in Current Year Profit	Cl. Bal.
Darshil Umeshbhai Nandani	6,000	0.31%	0.6	0.58	0.50	1.68
Parinbhai Umeshbhai Nandani	6,000	0.31%	0.6	0.58	0.50	1.68
Devenbhai Dipeshbhai Nandani	12,000	0.62%	1.2	1.15	1.00	3.36
Nehaben Umeshbhai Nandani	6,000	0.31%	0.6	0.58	0.50	1.68
<b>Total</b>	<b>30,000</b>	<b>1.55%</b>	<b>3.00</b>	<b>2.89</b>	<b>2.51</b>	<b>8.40</b>

**Notes:**

**1. Issue of Shares other than cash**

The Company issued 2 Lacs Equity Shares of Rs. 10 each in exchange of acquisition of 19 Lacs Equity Shares of Rs. 10 each of M/s. Pearl Furniture Pvt. Ltd. out of total 19.30 Lacs Equity Shares, from its various existing shareholders, as per the valuation report and exchange ratio determined by the Statutory Auditor of the company for the purpose of valuation of unquoted shares as per Rule 11UA read with 11UAA of the Income Tax Rules, 1962, by passing resolution for the same in its board meeting held on 28th May, 2017 and the allotment was made on 1st June, 2017, thereby resulting into acquisition of subsidiary company.

**2. Increase in Authorized Capital**

The Company's Authorized Share Capital was Rs. 50 Lacs comprising of 5,00,000 Equity Shares of Rs. 10/- each. The Company has increased its authorized share capital by passing resolution for increase in its authorized capital from Rs. 50 Lacs comprising of 5,00,000 Equity shares of Rs. 10/- each to Rs. 1250 Lacs comprising of 1,25,00,000 Equity Shares of Rs. 10/- each, in Extra – Ordinary general meeting held on 3rd March, 2018.

**3. Issue of Bonus Shares**

The Company issued 50 Lacs Equity Shares as fully paid up Bonus Shares in the ratio of 10:1 by capitalization of Reserves & Surplus and allotment done on 17th March, 2018 and then further allotted 11 Lacs Equity Shares as fully paid up Bonus Shares in the ratio of 1:5 by capitalization of Reserves & Surplus and allotment done on 24th March, 2018.



**4. Issue of Shares on Preferential Basis**

The Company issued 15,18,000 Equity Shares as fully paid up Shares on Preferential Basis by passing special resolution in the Extra-Ordinary General Meeting held on 27th March, 2018 and allotment done on 29th March, 2018.

**5. Terms / Rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE – B**

**RESTATED CONSOLIDATED STATEMENT OF RESERVES AND SURPLUS**

(Amt. Rs. In Lacs)

Particulars	As At
	<b>31-03-18</b>
	<b>Rs.</b>
<b>Capital Reserve Account</b>	
Capital Reserve	4.26
<b>Closing Balance (A)</b>	<b>4.26</b>
<b>Securities Premium Account</b>	
Opening Balance	95.00
Add: Premium on shares issued during the year	567.74
Less : Utilized for Bonus Issue	(161.16)
<b>Closing Balance (B)</b>	<b>501.58</b>
<b>Surplus in Statement of Profit &amp; Loss</b>	
Opening Balance	407.69
Add : Profit for the year	416.62
Less : Utilized for Bonus Issue	(448.84)
Less : Fixed Assets transferred to Retained Earnings	-
<b>Closing Balance (C)</b>	<b>375.48</b>
<b>TOTAL</b>	<b>881.31</b>





**Notes:**

1. Company does not have any Revaluation Reserve.
2. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
3. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-C**  
**RESTATED CONSOLIDATED STATEMENT OF LONG TERM BORROWINGS**

(Amt. Rs. In Lacs)

PARTICULARS	As At
	31-03-18
	Rs.
<b>Long Term Borrowings</b>	
<b>Term Loans and Vehicle Loans</b>	
From Banks & Financial Institutions	952.13
<b>Loans and advances from related parties</b>	
From Directors	520.69
<b>TOTAL</b>	<b>1,472.82</b>
<b>Current portion of long-term borrowings, included under Other Current Liabilities</b>	91.23
<b>TOTAL LONG-TERM BORROWINGS</b>	<b>1,564.05</b>
<b>The above amount includes:</b>	
Secured Borrowings	1,043.36
Unsecured Borrowings	520.69
<b>TOTAL</b>	<b>1,564.05</b>

**Notes:**

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in Annexure-CF1 and CF -2 respectively.
2. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
3. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.



**ANNEXURE-CF1**

**RESTATED STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

**HOLDING COMPANY**

(Amt. Rs. In Lacs)

<b>A. Working Capital Facilities &amp; Term Loans from Banks</b>							<b>As At</b>
<b>Name of Lender</b>	<b>Purpose</b>	<b>Sanction Amount</b>	<b>Rate of interest</b>	<b>Securities offered</b>	<b>Re-payment</b>	<b>Moratorium</b>	
<b>Secured Borrowings</b>							<b>31-03-18</b>
HDFC Bank Ltd.	Working Capital (Cash Credit)	1425.00 Lacs	Interest Rate ranging from 9.65% p.a. to 9.85% p.a.	<b>Primary Security : NA</b> <b>Collateral Security : As per Note 1</b> <b>Personal Guarantee : As per Note 2</b>	On Demand	NA	880.76
Capital First Ltd.	Business Loan (Loan Against Property)	293.50 Lacs	10.80% p.a. (Floating ROI)	As per Note 3	180 EMIs of Rs. 329915/- each starting from 5th Dec. 2016	Nil	270.58
Capital First Ltd.	Business Loan (Loan Against Property)	206.50 Lacs	10.80% p.a. (Floating ROI)	As per Note 4	180 EMIs of Rs. 232121/- each starting from 5th Dec. 2016	Nil	
ICICI Bank Ltd.	Business Loan (Loan Against Property)	335.00 Lacs	I-MCLR 1 Yr 8.30% + Spread @ 0.70% i.e. Effective Interest Rate 9.00% p.a.	As per Note 5	180 EMIs of Rs. 339780/- each starting from April 2018	Nil	325.31
ICICI Bank Ltd.	Business Loan (Loan Against Property)	345.00 Lacs	I-MCLR 1 Yr 8.30% + Spread @ 0.70% i.e. Effective Interest Rate 9.00% p.a.	As per Note 6	180 EMIs of Rs. 349922/- each starting from April 2018	Nil	335.02



**Notes:**

**HDFC Bank Ltd - Cash Credit Rs. 1425.00 Lacs**

<b>1. Collateral Security :</b>
Registered Equitable Mortgage of Commercial Property including Showroom situated at Sub Plot No. 6, Revenue Survey No. 149, Rajkot Gondal National Highway 8/B, Village Vavdi, Rajkot.
<b>2. Guarantee :</b> Personal Guarantee of Umeshkumar D. Nandani HUF, Umeshkumar D. Nandani, Devenbhai D. Nandani, Bindeshkumar D. Nandani and Darshil U Nandani

**Capital First Ltd. - Business Loan (Loan Against Property) Rs. 293.50 Lacs**

<b>3. Primary Security:</b> Shop No. 5, FF 101 to 109, SF 201 to 209, Apsara Chambers, Dhebar Road, Rajkot, Gujarat 360005 in the name of directors / relative of directors.
--

**Capital First Ltd. - Business Loan (Loan Against Property) Rs. 206.05 Lacs**

<b>4. Primary Security:</b> Poonam Furniture, 16 Milpara, Nr. Hotel Grand Regency, Dhebar Road, Rajkot, Gujarat 360005 in the name of directors / relative of directors. (The above loan is fully repaid during the FY 17-18)
--

**ICICI Bank Ltd. - Business Loan (Loan Against Property) Rs. 335.00 Lacs**

<b>5. Security:</b> "Rushikesh" Bungalow No.-2, Parnakutir Society, Opp. Astron Society Garden, Parnakutir Main Road, Rajkot 360005 in the name of director / relative of directors.
--

**ICICI Bank Ltd. - Business Loan (Loan Against Property) Rs. 345.00 Lacs**

<b>6. Security:</b> "Shree Vallabh", Plot No. 62A, Panchvati Society Main Road, Opp. Bhaktidham Temple, Nr. Atithi Chowk, Rajkot 360005 in the name of director / relative of directors.
--

<b>B. Business Loans / Vehicle Loans From Banks &amp; Financial Institutions</b>							
<b>Name of Lender</b>	<b>Purpose</b>	<b>Sanction Amount</b>	<b>Rate of interest</b>	<b>Securities offered</b>	<b>Re-payment</b>	<b>Moratorium</b>	<b>As At</b>
							<b>31-03-18</b>
Daimler Financial Services India Ltd.	Vehicle Loan	31.11 Lacs	11.62%	Hypothecation of Vehicle in the name of Director	36 Monthly Instalments comprising of 1st instalment of Rs. 73636 next 34 instalments of Rs. 59809 each and last instalment of Rs. 1899221	Nil	21.22



**ANNEXURE-CF1**  
**RESTATED CONSOLIDATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS**  
**CHARGED AS SECURITY**

**SUBSIDIARY COMPANY**

(Amt. Rs. In Lacs)

A. Working Capital Facilities & Term Loans from Banks							As At
Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	
<b>Secured Borrowings</b>							<b>31-03-18</b>
State Bank of India	Working Capital (Cash Credit)	480.00 Lacs	MCLR 7.95% + Spread @ 2.00% i.e. Effective Interest Rate 9.95% p.a.	<b>Primary Security :</b> As per Note 1  <b>Collateral Security :</b> As per Note 2	On Demand	NA	504.15
State Bank of India	Term Loan	253.00 Lacs	MCLR 7.95% + Spread @ 2.00% i.e. Effective Interest Rate 9.95% p.a.	<b>Personal Guarantee :</b> As per Note 3	Refer Note 4	Refer Note 4	56.71

**Notes:**

**State Bank of India**

<b>1. Primary Security:</b>
Hypothecation charge over stocks, book debts and all other current assets of the Company. (Present and Future). Hypothecation charge over Plant & Machinery and all other fixed assets.
<b>2. Collateral Security:</b>
Commercial Property constructed on land admeasuring 179.02 Sq. Mtrs. of area known as "Poonam Furniture", Ground Floor to 4th Floor, on Ward No. 8, City Ser. No. 336 & 337/Paiki, at Milpara Street No. 16, Opp. Hemal Furniture, Nr. Vikas Post Office, Dhebar Road, Rajkot in the name of Shri Bindeshkumar Dhirajlal Nandani (Third Party Guarantor)
<b>3. Guarantee :</b> Personal Guarantee of Parinbhai U. Nandani (Director), Darshilbhai U. Nandani (Director) and Bindeshkumar D. Nandani (Third Party Guarantor)
<b>4. Repayment &amp; Moratorium :</b> Term Loan is repayable in 66 Monthly instalments including moratorium of 12 Months, first instalment beginning from April 2015

**Repayment Schedule**

Year	No. of Instalment	Amount (Rs. In Lacs)	Total (Amt. Rs. In Lacs)
2015-16	12	3.51	42.12
2016-17	12	3.51	42.12
2017-18	12	5.63	67.50
2018-19	12	5.63	67.50
2019-20	5	5.63	28.15



	1	5.61	5.61
	<b>54</b>		<b>253.00</b>

**ANNEXURE-CF2**  
**STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

**Details Of Unsecured Loans outstanding as at the end of the respective periods from Directors**

Unsecured Loans from Directors are generally at @ 9.00% p.a. to 12.00% p.a. interest rate, which can be reviewed as per mutually agreed terms from time to time.

Loans are long term in nature.

**Details of Unsecured Loans**

(Amt. Rs. In Lacs)

PARTICULARS	As At
	31-03-18
	Rs.
From Directors	520.69
<b>TOTAL</b>	<b>520.69</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-E**  
**RESTATED CONSOLIDATED STATEMENT OF LONG-TERM PROVISIONS**

(Amt. Rs. In Lacs)

PARTICULARS	As At
	31-03-18
	Rs.
Provision for Gratuity (unfunded)	30.42
<b>TOTAL</b>	<b>30.42</b>

**Notes:**

1. The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2018 in FY 17-18 by classifying expenses related to FY 12-13 to FY 16-17 as prior period expenses. For the purpose of Restatement the figures for gratuity provision related to FY 13-14 to FY 17-18 have been debited to statement of profit and loss in the respective years and gratuity provision related FY 12-13 has been adjusted in the opening reserves, on the basis of actuarial valuation.
2. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.



3. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-F**

**RESTATED CONSOLIDATED STATEMENT OF SHORT TERM BORROWINGS**

(Amt. Rs. In Lacs)

PARTICULARS	As At
	31-03-18
	Rs.
<b>Short Term Borrowings</b>	
From Banks- Cash Credit	1,384.91
<b>TOTAL</b>	<b>1,384.91</b>
<b>TOTAL SHORT-TERM</b>	<b>1,384.91</b>
<b>The above amount includes:</b>	
Secured Borrowings	1,384.91
Unsecured Borrowings	-
<b>TOTAL</b>	<b>1,384.91</b>

**Notes:**

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in Annexure-CF1 and CF -2 respectively.
2. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
3. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-G**

**RESTATED CONSOLIDATED STATEMENT OF TRADE PAYABLES**

(Amt. Rs. In Lacs)

PARTICULARS	As At
	31-03-18
	Rs.
<b>Trade Payables</b>	
For Goods & Expenses - Micro, Small & Medium Enterprises	-
For Goods & Expenses – Others	715.78
<b>TOTAL</b>	<b>715.78</b>
<b>Of Above, Due Payable to Related Parties</b>	
Payables to Entities significantly influenced by directors and/or by their relatives	113.73



**Notes:**

1. In the absence of information regarding outstanding dues of Micro or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same.
2. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
3. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-H**

**RESTATED CONSOLIDATED STATEMENT OF OTHER CURRENT LIABILITIES**

(Amt. Rs. In Lacs)

PARTICULARS	As At
	31-03-18
	<b>Rs.</b>
<b>Current maturities of long-term borrowings</b>	
From Banks & Financial Institutions	91.23
Duties & Taxes / Statutory Liabilities	89.57
Advance from Customers	18.99
Payables on Purchase of Fixed Assets	2.27
Other Payables	11.54
<b>TOTAL</b>	<b>213.60</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-I**

**RESTATED CONSOLIDATED STATEMENT OF SHORT-TERM PROVISIONS**

(Amt. Rs. In Lacs)

PARTICULARS	As At
	31-03-18
	<b>Rs.</b>
<b>Provisions :</b>	
For Income Tax	193.68
Provision for Salary	2.40
Provision for Employee Benefits (Gratuity Provision - Short Term)	1.18
Provision for Expenses	24.87



<b>TOTAL</b>	<b>222.15</b>
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**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-J**  
**RESTATED CONSOLIDATED STATEMENT OF FIXED ASSETS**

(Amt. Rs. In Lacs)

PARTICULARS	As At
	31-03-18
	<b>Rs.</b>
<b>Property, Plant &amp; Equipment (PPE)</b>	
<b><u>Equipments</u></b>	
Equipments	9.72
Air Conditioners	9.86
<b><u>Plant &amp; Machinery</u></b>	
Machineries	299.44
<b><u>Electrical Installations</u></b>	
Electrical Installations	4.62
<b><u>Vehicles</u></b>	
Vehicles	148.53
<b><u>Office Equipments and Furniture &amp; Fixtures</u></b>	
Office Equipments	6.99
Furniture & Fixtures	60.80
<b><u>Computers &amp; Softwares</u></b>	
Computers, Servers & Networks	8.12
<b>Total Property, Plant &amp; Equipment</b>	<b>548.09</b>
<b>Transferred to Retained Earnings / Reserves</b>	<b>-</b>
<b>Net Property, Plant &amp; Equipment</b>	<b>548.09</b>
<b>Intangible Assets</b>	
Trademarks Purchased	5.00
Designs Purchased	5.51
<b>Total Intangible Assets</b>	<b>10.51</b>
<b>Capital Work-in-Progress</b>	





Factory Building under Construction	36.77
<b>Total Capital Work-in-Progress</b>	<b>36.77</b>
<b>Grand Total</b>	<b>595.37</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE- K**  
**RESTATED CONSOLIDATED STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(Amt. Rs. In Lacs)

Particulars	As At
	31-03-18
<b>Opening Balance (A)</b>	<b>Rs.</b>
Opening Balance of Deferred Tax (Asset) / Liability	(7.36)
<b>Total (A)</b>	<b>(7.36)</b>
<b>Closing Balances (B)</b>	
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	(7.52)
(DTA) / DTL on account of gratuity provision	(10.12)
<b>Closing Balance of Deferred Tax (Asset) / Liability (B)</b>	<b>(17.65)</b>
<b>Current Year Provision (B-A)</b>	<b>(10.28)</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-L**  
**RESTATED CONSOLIDATED STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(Amt. Rs. In Lacs)

PARTICULARS	As At
	31-03-18
	<b>Rs.</b>
<b>Unsecured, Considered Good unless otherwise stated</b>	
Security Deposits	48.01
<b>TOTAL</b>	<b>48.01</b>



**Notes:**

1. None of the long term loans and advances as stated above are recoverable from Directors/ Promoters / Promoter group / Relatives of Directors / Group company.
2. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
3. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-M**

**RESTATED CONSOLIDATED STATEMENT OF OTHER NON-CURRENT ASSETS**

(Amt. Rs. In Lacs)

PARTICULARS	As At
	31-03-18
	Rs.
<b>Renovation Expenses</b>	
Factory Renovation Expenses	2.82
<b>Preliminary &amp; Share Issue Expenses</b>	
Preliminary Expenses <i>(to the extent not written off)</i>	2.03
Pre-Operative Expenses <i>(to the extent not written off)</i>	6.73
Share Issue Expenses <i>(to the extent not written off)</i>	18.88
Interest Accrued on Bank Deposits	13.29
(Bank Deposits with original maturity of more than 12 Months)	
<b>TOTAL</b>	<b>43.73</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-N**

**RESTATED CONSOLIDATED STATEMENT OF INVENTORIES**

(Amt. Rs. In Lacs)

PARTICULARS	As At
	31-03-18
	Rs.
<b>Closing Inventories of</b>	
Raw Materials & Spares	756.51
Semi-Finished Goods	119.00
Finished Goods	103.39
Traded Goods	1,863.11



<b>TOTAL</b>	<b>2,842.01</b>
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**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-O**  
**RESTATED CONSOLIDATED STATEMENT OF TRADE RECEIVABLES**

(Amt. Rs. In Lacs)

PARTICULARS	As At
	31-03-18
	Rs.
Outstanding for a period exceeding six months ( <b>Unsecured and considered Good</b> )	
From Entities significantly influenced by directors and / or relatives	-
Others	689.12
Outstanding for a period not exceeding 6 months ( <b>Unsecured and considered Good</b> )	
From Entities significantly influenced by directors and / or relatives	12.07
Others	1,077.49

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.
3. List of entities classified as 'Entities significantly influence by directors' has been determined by the Management and the same is being relied upon by the Auditors.

**ANNEXURE-P**  
**RESTATED CONSOLIDATED STATEMENT OF CASH & CASH EQUIVALENTS**

(Amt. Rs. In Lacs)

PARTICULARS	As At
	31-03-18
	Rs.
a. Cash on Hand	4.55
b. Balances with Banks	
- In Current Accounts	4.73
- In Bank Deposits	-
- Deposits Accounts which have an original	



maturity of more than 12 months	224.99
c. Credit Card - Swipe Balance	0.02
<b>TOTAL</b>	<b>234.28</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-Q**

**RESTATED CONSOLIDATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(Amt. Rs. In Lacs)

PARTICULARS	As At
	31-03-18
	Rs.
<b>Unsecured, Considered Good unless otherwise stated</b>	
Prepaid Expenses	17.43
Advance Payment Against Taxes	115.48
Advance to Suppliers	19.54
Loans & Advance to Employees	23.59
Security Deposits	0.59
Other Receivables	
<b>TOTAL</b>	<b>176.63</b>
<b>Of Above, Advances Recoverable From</b>	
<b>Related Parties</b>	
Directors / Relatives of Directors / Entities significantly influenced by Directors and / or their relatives	-

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.



**ANNEXURE-R**  
**RESTATED CONSOLIDATED STATEMENT OF OTHER CURRENT ASSETS**

(Amt. Rs. In Lacs)

PARTICULARS	As At
	31-03-18
	Rs.
Interest Subsidy Receivable	7.82
<b>TOTAL</b>	<b>7.82</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-S**  
**RESTATED CONSOLIDATED STATEMENT OF REVENUE FROM OPERATIONS**

**RESTATED CONSOLIDATED STATEMENT OF REVENUE FROM SALE OF PRODUCTS**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended
	31-03-18
	Rs.
Sale of Goods	6,485.32
<b>Total</b>	<b>6,485.32</b>

**RESTATED CONSOLIDATED STATEMENT OF OTHER INCOME**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended
	31-03-18
	Rs.
<b>Recurring Income:</b>	
Foreign Exchange Rate Difference (Net)	(0.29)
Interest Income	7.95
<b>Non-Recurring Income:</b>	
Profit on Sale of Fixed Assets	2.00
Balance Written Back	33.02
Other Misc. Income	4.37
<b>Total</b>	<b>47.04</b>

**Notes:**



1. The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-T**  
**RESTATED CONSOLIDATED STATEMENT OF COST OF RAW MATERIALS & COMPONENTS**  
**CONSUMED**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended
	31-03-18
	<b>Rs.</b>
Opening Stock	732.94
Add : Purchases (Net)	1,747.27
Less : Closing Stock	756.51
<b>Raw Materials &amp; Components Consumed</b>	<b>1,723.70</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-U**  
**RESTATED CONSOLIDATED STATEMENT OF PURCHASE OF STOCK IN TRADE**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended
	31-03-18
	<b>Rs.</b>
Purchase of Stock in Trade	2,227.86
<b>Total</b>	<b>2,227.86</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.



**ANNEXURE-V**

**RESTATED CONSOLIDATED STATEMENT OF CHANGES IN INVENTORIES OF STOCK-IN-TRADE**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended
	31-03-18
	Rs.
<b>a. Inventories (at close)</b>	
Finished Goods	103.39
Work-In-Progress	119.00
Stock-In-Trade	1,863.11
<b>Total (a)</b>	<b>2,085.50</b>
<b>b. Inventories (at commencement)</b>	
Finished Goods	42.08
Work-In-Progress	146.00
Stock-In-Trade	2,000.28
<b>Total (b)</b>	<b>2,188.36</b>
<b>Total (b-a)</b>	<b>102.86</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-W**

**RESTATED CONSOLIDATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended
	31-03-18
	Rs.
Salary, Wages and Bonus (including directors' remuneration)	557.58
Contribution to Provident Fund, Gratuity Fund Provision & Other Contribution	6.71
Staff Welfare Expenses	29.90
<b>Total</b>	<b>594.20</b>



**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-X**  
**RESTATED CONSOLIDATED STATEMENT OF OTHER EXPENSES**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended
	31-03-18
	Rs.
<b>a. Operating &amp; Manufacturing Cost</b>	
Consumption of Electric, Power and Fuel	54.63
Freight Inward	20.82
Equipments / Machinery Repairs & Maintenance	2.96
Building Repairs & Maintenance	0.21
Rent	42.50
Other Operating Expenses	66.11
<b>Total (a)</b>	<b>187.23</b>
<b>b. Sales &amp; Distribution Expenses</b>	
Advertisement	7.33
Sales Promotion Expenses	31.14
Discount & Commission Expenses	2.29
Fitting & Installation Expenses	22.97
Service Fees for Online Business	28.34
Transportation, Packing & Forwarding Expenses	137.40
Bad Debts W/o.	10.76
Rent	197.31
Other Selling & Distribution Expenses	23.35
<b>Total (b)</b>	<b>460.89</b>
<b>c. General &amp; Administration Expenses</b>	
Rates & Taxes	3.57
Conveyance, Tour and Travelling Expenses	61.88
Legal & Professional Expenses	18.49
Insurance	24.85
Preliminary & Pre-Operative Expenses W/o.	7.29
Loss on Disposal of Fixed Assets	5.67
Loading & Unloading Expenses	24.17
General Administration Expenses	58.47
<b>Total (c)</b>	<b>204.40</b>
<b>Total (a+b+c)</b>	<b>852.52</b>





**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-Y**  
**RESTATED CONSOLIDATED STATEMENT OF FINANCE COSTS**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended
	31-03-18
	Rs.
Interest on Term Loans	134.34
Interest on Working Capital Facilities	167.87
Other Interest	4.84
Other Financial Charges	25.69
<b>Total</b>	<b>332.74</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-Z**  
**RESTATED CONSOLIDATED STATEMENT OF DEPRECIATION AND AMORTIZATION**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended
	31-03-18
	Rs.
Depreciation as per Companies Act	98.59
Amortization of Factory Renovation Expenses	1.79
<b>Total</b>	<b>100.38</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Company.



2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-AA**  
**RESTATED CONSOLIDATED STATEMENT OF CONTINGENT LIABILITIES**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended
	31-03-18
	<b>Rs.</b>
VAT Matters (under dispute)	4.58
Guarantees given by bank on behalf of the Company	535.28
<b>Total</b>	<b>539.86</b>

Bank Guarantees issued for Work Orders received against which margin money / deposit has been paid as per bank's norms.

**Note**

The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-AB**  
**RESTATED CONSOLIDATED STATEMENT OF RELATED PARTY TRANSACTION**

(Amt. Rs. In Lacs)

**HOLDING COMPANY**

**Names of the related parties with whom transactions were carried out during the years and description of relationship:**

1	Umeshkumar Dhirajlal Nandani	- Director (KMP)
2	Deven Dipeshbhai Nandani	- Director (KMP) (w.e.f. 27th July, 2016)
3	Dhirajlal Laxmidas Nandani (HUF)	- HUF of Relative of Director
4	Umeshkumar Dhirajlal Nandani (HUF)	- HUF of Director / Shareholder
5	Dipeshbhai Dhirajlal Nandani (HUF)	- HUF of Director
6	Pearl Furniture Private Limited	- Entity significantly influenced by Directors & Relatives / Subsidiary Company (w.e.f. 1st June 2017)
7	Parin Motors	- Entity significantly influenced by Directors & Relatives
8	P.P. Furniture Private Limited	- Entity significantly influenced by Promoters / Shareholder (w.e.f. 27th March, 2018)
9	Paradise Furniture (Prop. Nehaben Umeshkumar)	- Entity significantly influenced by Relative of Director



	Nandani)	
10	Perfect Industries (Previously Known as Pearl Industries) (Prop. Umeshkumar Dhirajlal Nandani-HUF)	- Entity significantly influenced by HUF of Director
11	Deven Impex	- Entity significantly influenced by Promoter
12	Poonam Furniture (Prop. Bindeshkumar Dhirajlal Nandani)	- Entity significantly influenced by Relative of Director
13	Prince Furniture	- Entity significantly influenced by Director & Relative

(Amt. Rs. In Lacs)

### 1. Transactions with Key Management Personnel (Directors)

Sr. No	Nature of Transactions	For the Year Ended
		31-03-18
		Rs.
<b>A</b>	<b>Transaction During the Year</b>	
	<b>Directors' Remuneration</b>	
	Umeshkumar Dhirajlal Nandani	15.60
	Deven Dipeshbhai Nandani	9.60
	<b>Rent</b>	
	Deven Dipeshbhai Nandani	10.05
	<b>Unsecured Loans Accepted</b>	
	Umeshkumar Dhirajlal Nandani	226.70
	Deven Dipeshbhai Nandani	110.88
	<b>Unsecured Loans Repaid</b>	
	Umeshkumar Dhirajlal Nandani	112.00
	Deven Dipeshbhai Nandani	517.28
	<b>Trademark Purchased</b>	
	Deven Dipeshbhai Nandani	2.50
	<b>Interest on Loan</b>	
	Umeshkumar Dhirajlal Nandani	2.08
	Deven Dipeshbhai Nandani	38.39
	<b>Sales (Incl. Taxes)</b>	
	Umeshkumar Dhirajlal Nandani	0.24
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>	
	<b>For Directors' Remuneration, Rent Payable, Interest and Unsecured Loan Payable</b>	
	Umeshkumar Dhirajlal Nandani (Loan)	(188.56)
	Deven Dipeshbhai Nandani (Loan)	(304.13)



(Amt. Rs. In Lacs)

**2. Transactions with HUF of Directors / HUF of Relative of Directors / HUF of Erstwhile Director**

Sr. No	Nature of Transactions	For the Year Ended
		31-03-18
		Rs.
<b>A</b>	<b>Transaction During the Year</b>	
	<b>Interest on Loan</b>	
	Dhirajlal Laxmidas Nandani (HUF)	0.48
	Umeshkumar Dhirajlal Nandani (HUF)	10.99
	Dipeshbhai Dhirajlal Nandani (HUF)	
	<b>Trademark Purchased</b>	
	Umeshkumar Dhirajlal Nandani (HUF)	2.50
	<b>Royalty Expenses / Labour Expenses</b>	
	Umeshkumar Dhirajlal Nandani (HUF)	4.80
	Dipeshbhai Dhirajlal Nandani (HUF)	4.80
	<b>Unsecured Loans Accepted</b>	
	Umeshkumar Dhirajlal Nandani (HUF)	359.09
	<b>Unsecured Loans Repaid</b>	
	Dhirajlal Laxmidas Nandani (HUF)	4.50
	Umeshkumar Dhirajlal Nandani (HUF)	430.86
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>	
	<b>For Royalty, Interest and Unsecured Loan Payable</b>	
	Dipeshbhai Dhirajlal Nandani (HUF) (Royalty Payable)	(4.32)

(Amt. Rs. In Lacs)

**3. Transactions with Companies / Entities Owned / Significantly Influenced by Directors and / or Relatives and transactions with Entity Significantly Influenced by HUF of Promoter**

Sr. No	Nature of Transactions	For the Year Ended
		31-03-18
		Rs.
<b>A</b>	<b>Transaction During the Year</b>	
	<b>Purchases (Incl. Taxes)</b>	
	Pearl Furniture Pvt. Ltd.	126.99
	Deven Impex	701.19
	Paradise Furniture	0.28
	Perfect Industries (Previously known as Pearl Industries)	251.32
	Poonam Furniture	5.19
	Prince Furniture	16.55



	<b>Sales (Incl. Taxes)</b>	
	Perfect Industries (Previously known as Pearl Industries)	3.17
	Poonam Furniture	1.66
	Parin Motors	11.87
	<b>Unsecured Loans Repaid</b>	
	P.P. Furniture Private Limited	313.81
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>	
	<b>Trade Receivables / Advances to Suppliers</b>	
	Parin Motors (Trade Receivables)	12.07
	<b>Trade Payables / Advances from Customers</b>	
	Deven Impex (Trade Payables)	(94.95)
	Prince Furniture	(4.35)

(Amt. Rs. In Lacs)

#### 4. Transactions with Subsidiary Company

Sr. No	Nature of Transactions	For the Year Ended
		31-03-18
		Rs.
<b>A</b>	<b>Transaction During the Year</b>	
	<b>Investments Made / (Sold)</b>	
	Pearl Furniture Pvt. Ltd.	405.58

#### SUBSIDIARY COMPANY

#### Names of the related parties with whom transactions were carried out during the years and description of relationship:

1	Parin Umeshkumar Nandani	Director (KMP) (w.e.f. 1st February, 2013)
2	Darshil Umeshkumar Nandani	Director (KMP) (w.e.f. 27th July, 2016)
3	Deven Dipeshkumar Nandani	Shareholder (w.e.f. 9th August, 2016)
4	Nehaben Umeshkumar Nandani	Relative of Director
5	Parin Furniture Limited (Previously Known as Parin Furniture Pvt. Ltd.)	Entity significantly influenced by Directors & Relatives / Holding Company (w.e.f. 1st June 2017)
6	Perfect Industries (Previously Known as Pearl Industries) (Prop. Umeshkumar Dhirajlal Nandani-HUF)	Entity significantly influenced by Relative of Director
7	Paradise Furniture (Prop. Nehaben Umeshkumar Nandani)	Entity significantly influenced by Relative of Director
8	Deven Impex	Entity significantly influenced by Shareholder (w.e.f. 17th July, 2016)
9	Prince Furniture (Partnership Firm)	Entity significantly influenced by Shareholder (w.e.f. 17th July, 2016)
10	Parin Motors	Entity significantly influenced by Directors & Relatives



(Amt. Rs. In Lacs)

**1. Transactions with Key Management Personnel (Directors)**

Sr. No	Nature of Transactions	For 10 Months
		31-03-18
		Rs.
<b>A</b>	<b>Transaction During the Year</b>	
	<b>Directors' Remuneration &amp; Sales Incentive / Advance Salary</b>	
	Parin Umeshkumar Nandani	11.40
	Darshil Umeshkumar Nandani	7.50
	<b>Unsecured Loans Accepted</b>	
	Darshil Umeshkumar Nandani	4.37
	<b>Unsecured Loans Repaid</b>	
	Darshil Umeshkumar Nandani	2.46
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>	
	<b>For Directors' Remuneration / Advance Salary / Interest and Unsecured Loan Payable</b>	
	Darshil Umeshkumar Nandani	(28.00)

**2. Transaction with Relatives of Directors / Shareholders**

Sr. No	Nature of Transactions	For 10 Months
		31-03-18
		Rs.
<b>A</b>	<b>Transaction During the Year</b>	
	<b>Unsecured Loans Repaid</b>	
	Nehaben Umeshkumar Nandani	0.19
	Deven Dipeshkumar Nandani	37.39
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>	
	<b>For Salary, Advances Given, Interest and Unsecured Loan Payable / Expenses Payable</b>	
		Nil

**3. Transactions with Companies / Entities Owned / Significantly Influenced by Directors and / or Relatives and transactions with Entity Significantly Influenced by HUF of Relative of Director**

Sr. No	Nature of Transactions	For 10 Months
		31-03-18
		Rs.
<b>A</b>	<b>Transaction During the Year</b>	
	<b>Purchases (Incl. Taxes)</b>	
	Perfect Industries (Previously known as Pearl Industries)	43.60
	Deven Impex	0.44



	Prince Furniture	33.77
	<b>Sales (Incl. Taxes)</b>	
	Perfect Industries (Previously known as Pearl Industries)	1.83
	Paradise Furniture	0.00
	Parin Motors	8.24
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>	
	<b>Trade Payables / Advances from Customers</b>	
	Deven Impex	(0.44)
	Prince Furniture	(9.67)

#### 4. Transactions with Holding Company

Sr. No	Nature of Transactions	For 10 Months
		31-03-18
		Rs.
<b>A</b>	<b>Transaction During the Year</b>	
	<b>Shares Issued (Consideration in Kind - By way Transfer of Shares)</b>	
	Parin Furniture Ltd.	405.58

### ANNEXURE-AC RESTATED CONSOLIDATED CAPITALISATION STATEMENT

(Amt. Rs. In Lacs)

Particulars	Pre-Issue	Post-Issue *
	As on 31st March, 2018	
Debt		
Short Term Debt (Short Term Borrowings)	1,384.91	[•]
Long Term Debt (Long Term Borrowings)	1,564.05	[•]
<b>Total Debt</b>	<b>2,948.97</b>	[•]
Shareholders' Fund (Equity)		[•]
Share Capital	811.80	[•]
Reserves & Surplus	881.31	[•]
Less: Miscellaneous Expenses not w/off	(27.63)	[•]
<b>Total Shareholders' Fund (Equity)</b>	<b>1,665.48</b>	[•]
Long Term Debt/Equity	<b>0.94</b>	[•]
Total Debt/Equity	<b>1.77</b>	[•]

(\*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.



**Notes:**

1. The Company issued 2 Lacs Equity Shares of Rs. 10 each in exchange of acquisition of 19 Lacs Equity Shares of Rs. 10 each of M/s. Pearl Furniture Pvt. Ltd. out of total 19.30 Lacs Equity Shares, from its various existing shareholders, as per the valuation report and exchange ratio determined by the Statutory Auditor of the company for the purpose of valuation of unquoted shares as per Rule 11UA read with 11UAA of the Income Tax Rules, 1962, by passing resolution for the same in its board meeting held on 28th May, 2017 and the allotment was made on 1st June, 2017, thereby resulting into acquisition of subsidiary company.
2. The Company issued 50 Lacs Equity Shares as fully paid up Bonus Shares in the ratio of 10:1 by capitalization of Reserves & Surplus and allotment done on 17th March, 2018 and then further allotted 11 Lacs Equity Shares as fully paid up Bonus Shares in the ratio of 1:5 by capitalization of Reserves & Surplus and allotment done on 24th March, 2018.
3. The Company issued 15,18,000 Equity Shares as fully paid up Shares on Preferential Basis by passing special resolution in the Extra-Ordinary General Meeting held on 27th March, 2018 and allotment done on 29th March, 2018.
4. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
5. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
6. The figures disclosed above are based on re stated statement of Assets and Liabilities of the Company as at 31.03.18.

**ANNEXURE-AD**

**RESTATED CONSOLIDATED SUMMARY OF MANDATORY ACCOUNTING RATIOS**

(Amt Rs. in Lacs unless otherwise stated)

Particulars	For the Year Ended
	31-03-18
Face Value per equity Share (Amt. in Rs.)	10
(i) Earnings/ (losses) Per Share (Amt. in Rs.)	
- Basic and Diluted Earnings/ (losses) Per Share [a/b]	6.33
(ii) Return on Net Worth (in %) [a/d]	25.02%
(iii) Net Assets Value per Share (in Rs.)	
- Restated Net Assets Value per Share (Amt. in Rs.) [d/c]	347.66
- Restated Net Assets Value per Share (Adjusted for Bonus Issue) (Amt. in Rs.) [d/c1]	20.52
(a) Net profit available for appropriation (as restated)	416.62
(b) Weighted average numbers of equity shares for calculating Basic and diluted EPS. (Adjusted for Bonus Shares)	65,79,052
(c) No. of equity shares outstanding at the end of the year. (Pre-Bonus Issue)	4,79,052
(c1) No. of equity shares outstanding at the end of the year. (Adjusted for Bonus Shares)	81,18,000
(d) Net Worth as at the end of the period/year (as restated)	1,665.48

*(Refer Note 5 for details of bonus issue)*

*(Refer Note 6 for details of preferential issue)*





**Notes:**

1. The above ratios are calculated as under:

a) Basic and Diluted Earnings per Share = 
$$\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Weighted average number of equity shares outstanding during the year}}$$

b) Return on Net Worth (%) = 
$$\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Net worth as at the year end}}$$

c) Net Asset Value Per Equity Share = 
$$\frac{\text{Net Worth as at the end of the period/year}}{\text{Number of equity shares outstanding at the end of the Year}}$$

2. Net Worth means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account;
3. Earnings Per Share (EPS) calculations are in accordance with the Accounting Standard 20 "Earnings Per Share" prescribed under the Companies (Accounting Standards) Rules, 2006.
4. The figures disclosed above are based on the restated consolidated financial information of the Company.
5. The Company issued 50 Lacs Equity Shares as fully paid up Bonus Shares in the ratio of 10:1 by capitalization of Reserves & Surplus and allotment done on 17th March, 2018 and then further allotted 11 Lacs Equity Shares as fully Bonus Shares in the ratio of 1:5 by capitalization of Reserves & Surplus and allotment done on 24th March, 2018.
6. The Company issued 15,18,000 Equity Shares as fully paid up Shares on Preferential Basis by passing special resolution in the Extra-Ordinary General Meeting held on 27th March, 2018 and allotment done on 29th March, 2018.

**ANNEXURE-AE**  
**RESTATED CONSOLIDATED STATEMENT OF TAX SHELTER**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended
	31-03-18
	Rs.
<b>Tax Computation as per normal tax provisions</b>	
<b>Restated Profit before tax</b>	<b>598.10</b>
<b>Normal Tax on above</b>	<b>186.25</b>
<b>Adjustments:</b>	
<i>Add : Disallowable / Exempt Incomes</i>	
Interest on Income Tax	3.84
Interest on TDS / DDT	0.13



Depreciation as per Companies Act	98.59
Provision for Gratuity	(5.25)
Loss on Sale of Fixed Assets	5.67
Donation debited in books of accounts	0.83
<b>Less : Allowable</b>	
Depreciation as per Income Tax Act	(85.66)
Donation allowable as per Income Tax Act	(0.25)
Profit on Sale of Fixed Assets	(2.00)
<b>Total Adjustments</b>	<b>15.89</b>
Tax expense/(saving) thereon	5.60
<b>Tax Payable as per Normal Provisions (A)</b>	<b>191.85</b>
<b>Tax Computation as per MAT provisions</b>	
<b>Restated Book Profit before tax</b>	598.10
MAT Tax on Above	121.95
<b>Add :</b>	
Interest on TDS / DDT	0.13
<b>Total Adjustments</b>	<b>0.13</b>
Tax expense/(saving) thereon	0.03
<b>Tax Payable as per MAT Provisions (B)</b>	<b>121.97</b>
<b>Gross Tax Payable (w.e.i. higher)</b>	<b>191.85</b>

**ANNEXURE-AF**  
**RESTATED CONSOLIDATED STATEMENT OF DIVIDEND DECLARED**

(Amt. Rs. In Lacs)

Particulars	For the Year Ended
	31-03-18
<b>Class of Shares</b>	
Equity Share of Rs. 10 each	10
<b>Rate of Dividend (%)</b>	
Interim Dividend	Nil
Final Dividend	Nil



## FINANCIAL INDEBTEDNESS

To

**The Board of Directors**

**PARIN FURNITURE LTD.**

Plot No. 6, Revenue Survey No. 149,

National Highway,

At Vavdi, Gondal Road,

Rajkot, Gujarat, India, 360 004.

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of **Parin Furniture Limited**, and further explanations and information provided by the management of these Companies, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on **31<sup>st</sup> March, 2018** are mentioned below

### A. Term Loans / Business Loans from Bank & Financial Institutions

(Amount in Rs. Lacs)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
<b>From Banks</b>							
<b>HDFC Bank Ltd.</b>	Working Capital (Cash Credit)	1425.00	MCLR 8.15% + Spread @ 1.50% to 1.70% i.e. Effective Interest Rate 9.65% to 9.85% p.a.	<b>Primary Security:</b> NA <b>Collateral Security:</b> As per Note 1 <b>Personal Guarantee:</b> As per Note 2	On Demand	NA	880.76
<b>Capital First Ltd.</b>	Business Loan (Loan Against Property)	293.50	10.80% p.a. (Floating ROI)	As per Note 3	180 EMIs of Rs. 329915/- each starting from 5th Dec. 2016	Nil	280.16
<b>ICICI Bank Ltd.</b>	Business Loan (Loan Against Property)	335.00	I-MCLR 1 Yr 8.30% + Spread @ 0.70% i.e. Effective Interest Rate 9.00%	As per Note 4	180 EMIs of Rs. 339780/- each starting from April 2018	Nil	335.42



Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
			p.a.				
<b>ICICI Bank Ltd.</b>	Business Loan (Loan Against Property)	345.00	I-MCLR 1 Yr 8.30% + Spread @ 0.70% i.e. Effective Interest Rate 9.00% p.a.	As per Note 5	I-MCLR 1 Yr 8.30% + Spread @ 0.70% i.e. Effective Interest Rate 9.00% p.a.	Nil	345.43

### Notes

#### **HDFC Bank Ltd - Cash Credit Rs. 1425.00 Lacs**

##### **1. Collateral Security**

Registered Equitable Mortgage of Commercial Property including Showroom situated at Sub Plot No. 6, Revenue Survey No. 149, Rajkot Gondal National Highway 8/B, Village Vavdi, Rajkot.

##### **2. Guarantee**

Personal Guarantee of Umeshkumar D. Nandani HUF, Umeshkumar D. Nandani, Devenbhai D. Nandani, Bindeshkumar D. Nandani and Darshil U Nandani

#### **Capital First Ltd. - Business Loan (Loan Against Property) Rs. 293.50 Lacs**

##### **3. Security**

Shop No. 5, FF 101 to 109, SF 201 to 209, Apsara Chambers, Dhebar Road, Rajkot, Gujarat 360005 in the name of directors / relative of directors.

#### **ICICI Bank Ltd. - Business Loan (Loan Against Property) Rs. 335.00 Lacs**

##### **4. Security**

"Rushikesh" Bungalow No.-2, Parnakutir Society, Opp. Astron Society Garden, Parnakutir Main Road, Rajkot 360005 in the name of director / relative of directors.

#### **ICICI Bank Ltd. - Business Loan (Loan Against Property) Rs. 345.00 Lacs**

##### **5. Security**

"Shree Vallabh", Plot No. 62A, Panchvati Society Main Road, Opp. Bhaktidham Temple, Nr. Atithi Chowk, Rajkot 360005 in the name of director / relative of directors.

### **B. Vehicle Loans from Financial Institutions**

(Amount in Rs. Lacs)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
Daimler Financial Services India Ltd.	Vehicle Loan	31.11	11.62%	Hypothecation of Vehicle in the name of Director	36 Monthly Instalments comprising of 1st instalment of Rs. 73636 next 34	Nil	25.65



Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
					instalments of Rs. 59809 each and last instalment of Rs. 1899221		

### C. Unsecured Loans

#### From Promoters

(Amount in Rs. Lacs)

Name of Lender	Purpose	Rate of interest	Re-payment	Outstanding amount
Umesh D. Nandani	Business Loan	9.25%	Long Term in Nature	188.56
Deven D. Nandani	Business Loan	9.25%	Long Term in Nature	304.13

Apart from above mentioned facilities, following are non-fund based facilities outstanding as on March 31, 2018

#### Secured – From Bank

(Amount in Rs. Lacs)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Usance	Outstanding amount
<b>HDFC Bank Ltd.</b>	Bank Guarantee	300.00	MCLR 8.15% BG Commission 1.80%	<b>Primary Security:</b> NA <b>Collateral Security:</b> As per Note 1	<b>Tenor of BG</b> Maximum of ____ Months from the date of sanction	533.36
<b>HDFC Bank Ltd.</b>	Bank Guarantee	240.00	MCLR 8.15% BG Commission 1.80%	<b>Personal Guarantee:</b> As per Note 2	<b>Tenor of BG</b> Maximum of ____ Months from the date of sanction	

### Major Negative Covenants pertaining to all facilities

#### HDFC Bank Ltd.

1. The company's Net PMB (Tangible net worth, including unsecured loans, Less Loans & Advances, Less Investment) to be maintained at Rs. 1250 Lacs during the currency of bank finance.
2. No dividend to be declared / no withdrawal in form of salary/remuneration/incentive/commission by the promoters/directors or members in case of any overdue of the borrower with Bank.
3. Promoters' tangible net worth including unsecured loan to be maintained at Rs. 215.18 Lacs during the currency of bank finance.
4. No withdrawals of unsecured loans of Rs. 215.18 lacs during the currency of bank finance.



5. No interest on unsecured loans to be paid in case of any overdue of the borrower with Bank.

**Capital First Ltd.**

1. Borrowers shall not voluntarily / intentionally cause any harm to the property or change the structure of the property that may in any way be detrimental to the interest of Capital First Ltd.
2. Borrowers will not be entitled to sell, mortgage, lease, surrender or alienate the mortgaged property, or any part thereof, during the subsistence of the mortgage without prior intimation and approval of Capital First Ltd.
3. Prepayment charges will be applicable as per bank guidelines.

**ICICI Bank Ltd.**

1. The property mortgaged shall be self occupied and shall not be rented out / alienated / or possession thereof parted with by the applicant in any manner whatsoever either partly or wholly during the tenure of finance.
2. The facility may be recalled at any time if ICICI Bank Ltd. in its discretion feels that the current market trends of the real estate market are prejudicial to the business interests of ICICI Bank Ltd.
3. Prepayment charges will be applicable as per bank guidelines.

Except as disclosed above, we hereby confirm that there are no other Credit Facilities availed by the Company.

Above certificate is issued at the request of '**Parin Furniture Limited**', on the basis of necessary information / explanation / documentation / clarification / certification, produced for our verification.

**For, BHAVIN ASSOCIATES**

**Chartered Accountants**

FRN: 101383W

**Bhavin P. Bhansali**

**Partner**

M. No. 043796

Place: Rajkot

Date: 14<sup>th</sup> May, 2018



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our restated standalone financial statements as of and for the Fiscals ended March 31, 2018, March 31, 2017 and March 31, 2016 including the related notes, schedules and annexures. These restated standalone financial statements are based on our audited standalone financial statements and are restated in accordance with the SEBI ICDR Regulations. Our audited standalone financial statements are prepared in accordance with Indian GAAP, which differs in certain material respects with IND (AS), IFRS and U.S. GAAP.*

*This discussion may contain forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" included in this Draft Red Herring Prospectus.*

*Our Fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12 month period ended March 31 of that year.*

### **Significant Factors Affecting Our Results of Operations**

The business is subjected to various risks and uncertainties, including those discussed in the section titled —Risk Factors beginning on page 20. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Disruption in our subsidiary's manufacturing operations.
2. Company's ability to successfully implement its growth strategy and expansion plans, and to successfully launch new Products;
3. Our inability to effectively diversify our portfolio of products ;
4. The business or financial condition of our customers or the economy generally, or any developments in the furniture industry in macro- economic factors, which may affect the rate of growth and the demand for our products;
5. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
6. Inability to successfully obtain registrations in a timely manner or at all;
7. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
8. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
9. Changes in laws and regulations relating to the industries in which we operate;
10. Effect of lack of infrastructure facilities on our business;
11. Occurrence of Environmental Problems & Uninsured Losses;
12. Intensified competition in industries/sector in which we operate;
13. Our ability to successfully implement our growth strategy and expansion plans;
14. Our ability to attract, retain and manage qualified personnel;
15. Failure to adapt to the changing technology in our furniture industry of operation may adversely affect our business and financial condition;
16. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
17. Conflicts of interest with affiliated companies, the promoter group and other related parties;
18. Any adverse outcome in the legal proceedings in which we are involved;
19. Our ability to expand our geographical area of operation;
20. Concentration of ownership among our Promoters.



**Our Significant Accounting Policies:** Our significant accounting policies are described in the section titled "Financial Information" on page 187.

**Change in accounting policies in previous 3 (three) years:** Except as mentioned under section titled "Financial Information" on page 187, there has been no change in accounting policies in last three (3) years.

### Our Results of Operations

The following table sets out financial data from our restated standalone statement of profit and loss for the Fiscals 2018, 2017 and 2016, the components of which are also expressed as a percentage of total revenue for such fiscal periods:

(Rs. In Lakhs)

Particulars	FY 2018		FY 2017		FY 2016	
	Amount (Rs. In Lakhs)	Perce ntage of Total Inco me (%)	Amount (Rs. In Lakhs)	Perce ntage of Total Inco me (%)	Amount (Rs. In Lakhs)	Perce ntage of Total Inco me (%)
<b>Revenue:</b>						
Revenue from Sale of products	6,415.67	99.32	5,855.06	97.68	6,169.71	99.86
<b>Net Revenue from Operations</b>	<b>6,415.67</b>	<b>99.32</b>	<b>5,855.06</b>	<b>97.68</b>	<b>6,169.71</b>	<b>99.86</b>
Other Income	43.67	0.68	138.98	2.32	8.75	0.14
<b>Total Revenue (A)</b>	<b>6,459.34</b>	<b>100.00</b>	<b>5,994.04</b>	<b>100.00</b>	<b>6,178.46</b>	<b>100.00</b>
<b>Expenses:</b>						
Cost of Materials & Stores Consumed	-	-	-	-	-	-
Purchase of Stock-in-trade	4,581.95	70.94	4,153.95	69.30	4,644.01	75.16
Changes in Inventories of stock -in-trade	137.16	2.12	-250.81	-4.18	-511.15	-8.27
Employee Benefit Expenses	361.58	5.60	448.72	7.49	455	7.36
Other Expenses	658.98	10.20	1,057.07	17.64	1,098.44	17.78
<b>Total Expenses (B)</b>	<b>5,739.67</b>	<b>88.86</b>	<b>5,408.92</b>	<b>90.24</b>	<b>5,686.31</b>	<b>92.03</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>719.67</b>	<b>11.14</b>	<b>585.12</b>	<b>9.76</b>	<b>492.15</b>	<b>7.97</b>
Finance Cost	262.14	4.06	301.96	5.04	259.67	4.20
Depreciation and Amortization Expenses	68.06	1.05	76.75	1.28	70.09	1.13
<b>Restated Profit before tax</b>	<b>389.47</b>	<b>6.03</b>	<b>206.42</b>	<b>3.44</b>	<b>162.39</b>	<b>2.63</b>
<b>Tax Expense:</b>						
Current Tax	136.07	2.11	76.05	1.27	65.57	1.06
Tax adjustment of prior years	-2.53	-0.04	0.05	0.00	-1.92	-0.03
Deferred tax	-5.85	-0.09	-5.22	-0.09	-2.84	-0.05
MAT Credit Entitlement	-	-	-	-	-	-
<b>Net Current Tax Expenses</b>	<b>127.69</b>	<b>1.98</b>	<b>70.87</b>	<b>1.18</b>	<b>60.81</b>	<b>0.98</b>
<b>Restated Profit After Tax from Continuing Operations</b>	<b>261.78</b>	<b>4.05</b>	<b>135.54</b>	<b>2.26</b>	<b>101.57</b>	<b>1.64</b>





## Financial Year 2018 Compared to Financial Year 2017

### *Income:*

Our Total Revenue increased from Rs. 5994.04 in Fiscal 2017 to Rs. 6459.34 in Fiscal 2018 i.e. an increase of 7.76%. The increase is attributable to increase in sale of our products by 9.57% to ₹ 6415.67 Lakhs for the Fiscal Year 2018 as against ₹5855.06 Lakhs for the Fiscal Year 2017.

Our Revenue from sale of product expressed as a percentage of Total Revenue were 99.32% and 97.68% for Fiscals 2018 and 2017, respectively.

### *Expenses:*

#### *Purchase of Stock in Trade:*

The expenses on purchases increased from Rs. 4153.95 Lakhs in Fiscal 2017 to Rs. 4581.95 Lakhs in the Fiscal 2018. An increase of 10.30%, commensurate to the increase in sales.

Our Purchase of Stock in Trade expressed as a percentage of our Total Revenue were 70.94% and 69.30% for Fiscals 2018 and 2017, respectively.

#### *Employee Benefits Expenses:*

Employee benefit expenses decreased from Rs. 448.72 Lakhs in Fiscal 2017 to Rs. 361.58 Lakhs in the Fiscal 2018 i.e. a decrease of 19.42%, mainly on account of reduction in total number of employees during the fiscal 2018 as compared to 2017, resulting into cost benefit optimization of resources. Our Employee Benefits Expenses expressed as a percentage of our Total Revenue were 5.60% and 7.49% for Fiscals 2018 and 2017, respectively.

#### *Other expenses:*

Other expenses decreased by 37.66% to ₹658.98 Lakhs for Fiscal 2018 from ₹1057.07 Lakhs for Fiscal 2017. The decrease is attributable to savings in our operating cost, general and administration expenses and sales and distribution expenses on account of cost benefit optimization of resources such as rent, electricity, expenses related to online business services and also on account of expenses related to project / tender based work which were required to be incurred during the respective fiscal year 2017. Our Other Expenses expressed as a percentage of our Total Revenue were 10.20% and 17.64% for Fiscals 2018 and 2017, respectively.

#### *Finance Cost:*

Our finance costs decreased to ₹262.14 Lakhs for Fiscal 2018 from ₹301.96 Lakhs for Fiscal 2017 a decrease of 13.19% due to repayment of certain borrowings. Our Finance Cost expressed as a percentage of our Total Revenue were 4.06% and 5.04% for Fiscals 2018 and 2017, respectively.

#### *Depreciation and amortization expenses:*

Our depreciation and amortization expenses decreased by 11.32% to ₹68.06 Lakhs for Fiscal 2018 from ₹76.75 Lakhs for Fiscal 2017, is mainly on account of the reason that fiscal 2017 being last year of amortization expenses during which the benefit of expenses incurred in past was estimated to be derived, and no such amortization expenses in the fiscal 2018.

Our depreciation and amortization expenses expressed as a percentage of our Total Revenue were 1.05% and 1.28% for Fiscals 2018 and 2017, respectively.



*Restated Profit before tax:*

Our restated profit before tax increased by 88.68% to Rs. 389.47 Lakhs for Fiscal 2018 from Rs.206.42 Lakhs for Fiscal 2017. Our restated profit before tax expressed as a percentage of our Total Revenue were 6.03% and 3.44% for Fiscals 2018 and 2017, respectively.

*Tax Expense:*

Our net tax expense was Rs.127.69 Lakhs for Fiscal 2018 primarily comprising of current tax expense of ₹136.07 Lakhs, decreased by deferred tax charge of ₹5.85 Lakhs and tax adjustment of prior years of Rs.2.53Lakhs. Our tax expenses increased by 80.17%, mainly due to increase in profit before tax.

*Restated Profit after Tax before share in profit / (loss) of associate and share of profit attributable to minority interest:*

Our Restated Profit after Tax increased by 93.14% to ₹261.78 Lakhs for Fiscal 2018 from ₹135.54 Lakhs in Fiscal 2017.

**Financial Year 2017 Compared to Financial Year 2016**

***Income:***

Our Total Revenue decreased from Rs. 6178.46 in Fiscal 2016 to Rs. 5994.04 Lakhs in Fiscal 2017 i.e. a slight decrease of 2.98%. on account of tender based work executed during the fiscal 2017 which required comparatively more of the resources to be deployed.

Our Revenue from sale of product expressed as a percentage of Total Revenue were 97.68% and 99.86% for Fiscals 2017 and 2016 respectively.

***Expenses:***

*Purchase of Stock in Trade:*

The expenses on purchases decreased to Rs. 4153.95 Lakhs in Fiscal 2017 as against Rs. 4644.01 Lakhs in the Fiscal 2016. A decrease of 10.55%, commensurate to the decline in sales. Our Purchase of Stock in Trade expressed as a percentage of our Total Revenue were 69.30% and 75.16 for Fiscals 2017 and 2016, respectively.

*Employee Benefits Expenses:*

Employee benefit expenses decreased to Rs. 448.72 Lakhs in Fiscal 2017 as against Rs. 455.00 Lakhs in the Fiscal 2016 i.e. a slight decrease of 1.38%, on account of cost benefit optimization of manpower resources. Our Employee Benefits Expenses expressed as a percentage of our Total Revenue were 7.49% and 7.36% for Fiscals 2017 and 2016 respectively.

*Other expenses:*

Other expenses decreased by 3.77% to ₹1057.07 Lakhs for Fiscal 2017 from ₹1098.44 Lakhs for Fiscal 2016. The decrease is attributable to cost benefit optimization of our operating cost and general & administrative resources. Our Other Expenses expressed as a percentage of our Total Revenue were 17.64% and 17.78 for Fiscals 2017 and 2016 respectively.

*Finance Cost:*

Our finance costs increased to ₹301.96 Lakhs for Fiscal 2017 from ₹259.67 Lakhs for Fiscal 2016, an increase of 16.29%. Our Finance Cost expressed as a percentage of our Total Revenue were 5.04% and 4.20% for Fiscals 2017 and 2016 respectively.



*Depreciation and amortization expenses:*

Our depreciation and amortization expenses increased by 9.50% to ₹76.75 Lakhs for Fiscal 2017 from ₹70.09 Lakhs for Fiscal 2016. Our depreciation and amortization expenses expressed as a percentage of our Total Revenue were 1.28% and 1.13% for Fiscals 2017 and 2016 respectively.

*Restated Profit before tax:*

Our restated profit before tax increased by 27.11% to Rs. 206.42 Lakhs for Fiscal 2017 from Rs.162.39 Lakhs for Fiscal 2016. Our restated profit before tax expressed as a percentage of our Total Revenue were 3.44% and 2.63% for Fiscals 2017 and 2016 respectively.

*Tax Expense:*

Our net tax expense was Rs.70.87 Lakhs for Fiscal 2017 primarily comprising of current tax expense of ₹76.05 Lakhs and tax adjustment of prior years of Rs.0.05 Lakhs, decreased by deferred tax charge of ₹5.22 Lakhs. Our tax expenses increased by 16.54%, due to increase in profit before tax.

*Restated Profit after Tax before share in profit / (loss) of associate and share of profit attributable to minority interest:*

Our Restated Profit after Tax increased by 33.44% to ₹135.54 Lakhs for Fiscal 2017 from ₹101.57 Lakhs in Fiscal 2016.

**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 trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

**Significant economic changes that materially affected or are likely to affect income from continuing operations:**

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

**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 as disclosed under section titled "Risk Factors" beginning on page 20, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**Future changes in relationship between costs and revenues:**

Our Company's future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by our suppliers.

**Increases in net sales or revenue and Introduction of new products or services or increased sales prices**

Increases in revenues are by and large linked to increases in volume of business.

**Seasonality of business**

Our business is not seasonal in nature.

**Dependence on a single or few clients**

Our top 10 customers accounted for 50.80% of our total revenue from operations for fiscal 2018.

**Dependence on a single or few suppliers**

Our business is dependent on certain key suppliers, including distributors and retail chains. Our top 10 suppliers accounted for 93.09% of our total purchase for fiscal 2018. We do not have any long term contracts with our external suppliers and prices are typically negotiated for each purchase order. For further information, please refer to the section titled "*Risk factors*" beginning on page 20.

**Competitive conditions:**

Competitive conditions are as described under chapter titled "*Industry Overview*" and "*Our Business*" beginning on pages 109 and 117 respectively.

**Significant Developments Occurring after March 31, 2018:**

Except as disclosed in this Draft Red Herring Prospectus, no circumstances have arisen since the date of the last financial statements which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.



## SECTION VI – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no (i) outstanding criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) tax proceedings; (iv) material litigation, in each case, involving our Company, our Subsidiary Company, our Group Company, our Directors and our Promoters; (v) any litigation involving our Company, our Subsidiary Company, our Group Company, our Directors and our Promoters or any other person whose outcome could have a material adverse effect on the position of our Company; (vi) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company, our Subsidiary Company, our Group Company in the preceding five (5) years from the date of this Draft Red Herring Prospectus; (vii) pending proceedings initiated against our Company for economic offences; (viii) material frauds committed against our Company in the preceding five (5) years from the date of this Draft Red Herring Prospectus; (ix) defaults for non-payment of statutory dues; (x) fines imposed or compounding of offences against our Company, our Subsidiary Company, our Group Company in the preceding five (5) years from the date of this Draft Red Herring Prospectus; (xi) matters involving our Company and our Subsidiary pertaining to violations of securities law; and (xii) outstanding dues to material creditors and small scale undertakings.*

*Our Board, at its meeting held on April 16, 2018 has determined that the outstanding litigations involving our Company, our Group Companies our Directors and our Promoters shall be considered material if (i) the aggregate amount involved in such individual litigation exceeds 1% of the profit after tax of our Company, as per the last audited financial statements, or (ii) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 1% of profit after tax – of our Company as per the last audited financial statements, if similar litigations put together collectively exceed 1% of the profit after tax of our Company; or (ii) litigations whose outcome could have a material impact on the business, operations, prospects or reputations of our Company and the Board or any of its committees shall have the power and authority to determine the suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its committees. Further, dues owed by our Company to small scale undertakings and other creditors, exceeding 5% of the Company's total trade payables for the last audited financial statements (“**Material Creditors**”) have been considered as material dues for the purposes of disclosure in this Draft Red Herring Prospectus.*

### PART 1: CONTINGENT LIABILITIES OF OUR COMPANY

Particulars	Amount (Rs. in Lakhs)
VAT Matters (Under Dispute)	4.58
Guarantees given by bank on behalf of the Company	533.36
<b>Total</b>	<b>537.94</b>

### PART 2: LITIGATION RELATING TO OUR COMPANY

#### I. Criminal cases against our Company

1. M/s Chandra Sales Corporation has filed a petition (16918 of 2017) before the Hon'ble High Court of Gujarat at Ahmedabad under Section 482 of the Code of Criminal Procedure, 1973 against our Company for quashing of Criminal case (490 of 2017) which was filed by our Company against M/s Chandra Sales Corporation and which is pending before the Learned Chief Judicial Magistrate, Rajkot for dishonor of Cheque of Rs.10 lakhs (Rs.10,00,000) issued towards outstanding dues to the tune of Rs. 10.35 Lakhs (Rs. 10,35,920) in respect of goods sold and delivered by our Company. The matter shall come up for hearing in due course.



## **II. Criminal cases filed by our Company**

1. Our Company has filed a complaint (*5916 of 2014*) before the Learned Chief Judicial Magistrate, Rajkot Court under Section 138 of the Negotiable Instruments Act, 1938 against M/s R. B. Enterprise and Mr. Ratilal B. Thakkar (collectively, the "**Accused**") for dishonor of Cheque issued towards outstanding dues to the tune of Rs.0.70 lakhs (*Rs.70,207*) in respect of goods sold and delivered by our Company. The matter shall come up for hearing in due course.
2. Our Company has filed a complaint (*4881 of 2015*) before the Learned Chief Judicial Magistrate, Rajkot under Section 138 of the Negotiable Instruments Act, 1938 against M/s MAA Sofas and Mr. S. Amala (collectively, the "**Accused**") for dishonor of Cheque issued towards outstanding dues to the tune of Rs.2.10 lakhs (*Rs.2,10,000*) for sale and delivery charges in respect of goods sold and delivered by our Company. The matter shall come up for hearing in due course.
3. Our Company has filed a complaint (*186 of 2016*) before the Court of Chief Judicial Magistrate, Rajkot under Section 138 of the Negotiable Instruments Act, 1938 against M/s Shree Balaji Furniture and Mr. Chetanbhai Sharma (collectively, the "**Accused**") for dishonor of Cheque of Rs.1.25 Lakhs (*Rs. 125,523/-*) issued in respect of goods sold and delivered by our Company. The matter shall come up for hearing in due course.
4. Our Company has filed a complaint (*490 of 2017*) before the Learned Chief Judicial Magistrate, Rajkot under Section 138 of the Negotiable Instruments Act, 1938 against M/s Chandra Sales Corporation and Mr. Dharmendra Kachhwana (collectively, the "**Accused**") for dishonor of Cheque of Rs.10 lakhs (*Rs.10,00,000*) issued towards outstanding dues to the tune of Rs. 10.35 Lakhs (*Rs. 10,35,920*) in respect of goods sold and delivered by our Company. The matter shall come up for hearing in due course.
5. Our Company has filed a complaint (*4573 of 2018*) before the Court of Chief Judicial Magistrate, Rajkot under Section 138 of the Negotiable Instruments Act, 1938 against Homekraft Styles (P) Ltd, Mr. Rajkumar Rai and Ms. Ananya Bhatt Ambati (collectively, the "**Accused**") for dishonor of Cheque of Rs.6.20 lakhs (*Rs.6,20,211*) issued towards outstanding dues to the tune of Rs. 6.20 Lakhs (*Rs. 6,20,211*) in respect of goods sold and delivered by our Company. The matter shall come up for hearing in due course.

## **III. Civil cases filed by our Company**

Nil.

## **IV. Civil Cases filed against our Company**

1. Mr. Bhavesh Bagiya has filed case (*9 of 2015*) against our Company before the Labour Commissioner Court, Rajkot demanding compensation to the tune of Rs. 15.28 Lakhs (*Rs.15,28,000/-*) in respect of permanent disability, treatment charges, ambulance charges and legal notice charges when he met with an accident while at work. However, our Company and our Subsidiary Company Pearl Furniture Private Limited has already filed our reply to the same before the Labour Commissioner Court, Rajkot for the same. The matter shall come up for the hearing in due course.

## **V. Material frauds committed against our Company**

There have been no instances of material frauds committed against our Company in the preceding five (5) years from the date of this Draft Red Herring Prospectus.

## **VI. Past cases where penalties imposed on our Company**

There are no past cases in the five (5) years preceding the date of this Draft Red Herring Prospectus,



where penalties were imposed on our Company by concerned authorities.

#### **VII. Past inquiries, inspections and investigations under the Companies Act**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last five (5) years immediately preceding the year of issue of the Draft Red Herring Prospectus in the case of our Company, our Subsidiary Company and our Group Companies.

#### **VIII. Fines imposed or compounding of offences**

There have been no prosecutions filed by our Company and its Subsidiary (*whether pending or not*) fines imposed, compounding of offences in the last five (5) years immediately preceding the year of the Draft Red Herring Prospectus.

#### **IX. Proceedings initiated against our Company for economic offences**

There are no pending proceedings initiated against our Company for any economic offences as on the date of this Draft Red Herring Prospectus.

#### **X. Defaults and non-payment of statutory dues**

Our Company has no outstanding defaults in relation to statutory dues, dues payable to holders of any debentures (*including interest*) or dues in respect of deposits (*including interest*) or any defaults in repayment of loans from any bank or financials institution (*including interest*).

### **PART 3: LITIGATION RELATING TO OUR SUBSIDIARY COMPANY**

#### **Pearl Furniture Private Limited (the "PFPL")**

##### **I. Criminal cases against our Subsidiary Company, PFPL**

Nil

##### **II. Criminal cases by our Subsidiary Company, PFPL**

Nil

##### **III. Civil cases against our Subsidiary Company, PFPL**

Mr. Bhavesh Bagiya has filed case (*9 of 2015*) against our Subsidiary PFPL before the Labour Commissioner Court, Rajkot demanding compensation to the tune of Rs. 15.28 Lakhs (Rs.15,28,000/-) in respect of permanent disability, treatment charges, ambulance charges and legal notice charges when he met with an accident while at work. However, our our Subsidiary Company PFPL has already filed our reply to the same before the Labour Commissioner Court, Rajkot for the same. The matter shall come up for the hearing in due course

##### **IV. Civil cases by our Subsidiary Company, PFPL**

Nil

### **PART 4: LITIGATION RELATING TO OUR GROUP COMPANY**

#### **P. P. Furniture Private Limited (the "PPFPL")**

##### **I. Criminal cases against our Group Company, PPFPL**

Nil

##### **II. Criminal cases filed by our Group Company, PPFPL**

1. Our Group Company PPFPL has filed a complaint (*4033 of 2014*) before the Learned Chief Judicial Magistrate, Rajkot under Section 406 & 420 of the Indian Penal Code against M/s Siddharth Furniture, Mr. Siddharth Jain, M/s Matoshree Furniture and Mr. Ramesh Surana (collectively, the "*Accused*") for dishonor of Cheque of Rs.3 lakhs (Rs.3,00,000) issued towards outstanding dues to the tune of Rs. 19.72





Lakhs (Rs. 19,72,411) in respect of goods sold and delivered by our Company. The matter shall come up for hearing in due course.

2. Our Group Company PPFPL has filed a complaint (1337 of 2016) before the Learned Chief Judicial Magistrate, Rajkot Court under Section 138 of the Negotiable Instrument Act, 1881 against M/s Antony Furnitures Pvt Ltd, Mr. Antony Shayaraj and Ms. Daisy Antony (collectively, the "*Accused*") for dishonor of Cheque of Rs.0.68 lakhs (Rs.68,088) issued towards outstanding dues to the tune of Rs. 3.84 Lakhs (Rs. 3,84,532) in respect of goods sold and delivered by our Company. The matter shall come up for hearing in due course.

### III. Civil cases against our Group Company, PPFPL

Nil

### IV. Civil cases filed by our Group Company, PPFPL

Nil

## PART 5: LITIGATION RELATING TO PROMOTERS AND DIRECTORS OF OUR COMPANY

### I. Criminal cases against Promoters & Directors of our Company

Nil

### II. Criminal cases by Promoters & Directors of our Company

Nil

### III. Civil cases against Promoters & Directors of our Company

Nil

### IV. Civil cases by Promoters & Directors of our Company

Nil

## PART 6: OUTSTANDING TAX DEMANDS

The details of the amount of the outstanding tax demands payable by our Company, our Directors, our Promoters, our Subsidiary and Group Companies as on the date of filing of this Draft Red Herring Prospectus as summarized as below:

### I. Direct Tax:

Nature of Cases	No. of outstanding cases	Amount to the extent quantifiable (in Rs. Lakhs)
<b>Our Company:</b>		
Income Tax	Nil	Nil
TDS	1	0.41
<b>Total</b>		<b>0.41</b>
<b>Our Subsidiary (Pearl Furniture Private Limited):</b>		
Income Tax		Nil
TDS	2	0.06
<b>Total</b>		<b>0.06</b>
<b>Our Group Company (P.P. Furniture Private Limited):</b>		
Income Tax	Nil	Nil
TDS	1	0.34
<b>Total</b>		<b>0.34</b>





<b>Our Promoter &amp; Director (Mr. Umesh Dhirajlal Nandani)</b>		
Income Tax	5	0.73*
<b>Total</b>		<b>0.73</b>

\*Out of the said demand, our Promoter and Director Mr. Umesh Dhirajlal Nandani has made payment of taxes of Rs.0.40 lakhs in the respective Assessment years; however credit was not given by the revenue authorities.

**II. Indirect Tax:** Except as mentioned above there are no outstanding tax demands under indirect tax laws.

## **PART 8: MATERIAL DEVELOPMENTS SINCE MARCH 31, 2018**

Other than as disclosed under section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 306, in the opinion of the Board, there has not arisen, since the date of the last balance sheet included in this Draft Red Herring Prospectus, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or the value of our consolidated assets or our ability to pay our liabilities over the next twelve (12) months.

## **PART 7: OUTSTANDING DUES TO CREDITORS**

Our Board has, pursuant to its resolution dated April 16, 2018, approved that the dues owed by our Company to the small-scale undertakings and other creditors exceeding 5% of trade payables of our company as per the last audited financial statements of our company shall be considered as material dues for our company. As of March 31, 2018, our Company, in its ordinary course of business, has an aggregate amount of Rs. 453.94 Lakhs, which are material dues towards the small-scale undertakings and other creditors which are as follows:

<b>Material Creditors</b>	<b>Number of cases</b>	<b>Amount involved (Rs. in lakhs)</b>
Small scale undertakings	Nil	Nil
Other creditors	7	453.94

Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not been furnished. Therefore as on March 31, 2018, our company owes amounts aggregating to Rs. 493.82 lakhs approximately towards 73 creditors for Trade Payables as per Audited Financial Statements, which may or may not include small scale undertakings. There are no disputes in relation to payments to be made to them. The details pertaining to outstanding dues towards our creditors are available on the website of our Company at [www.parinfurniture.com](http://www.parinfurniture.com). It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, [www.parinfurniture.com](http://www.parinfurniture.com), would be doing so at their own risk.



## GOVERNMENT AND OTHER STATUTORY APPROVALS

*We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required by us to undertake this Issue and for our present business and except as mentioned below, no further material approvals are required for carrying on our present business operations. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.*

### I. Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. Our Board, pursuant to its resolution dated April 16, 2018, authorized the Issue subject to approval of the shareholders of our Company under Section 23 and 62(1)(c) of the Companies Act, 2013;
- b. The shareholders of our Company have, pursuant to their resolution passed at the extra ordinary general meeting of our Company held on April 19, 2018 under Section 23 and 62(1)(c) of the Companies Act, 2013, authorized the Issue;
- c. Our Board approved this Draft Red Herring Prospectus pursuant to its resolution dated [●];
- d. We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated [●] bearing reference No. [●].
- e. NSDL/CDSL: ISIN No.: [●].

### II. Corporate approvals

- a. Certificate of Incorporation dated September 12, 2006 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
- b. Fresh Certificate of Incorporation dated April 04, 2018 issued by the Registrar of Companies, Ahmedabad consequent upon conversion to public limited company.
- c. Corporate Identity Number (CIN): U36101GJ2006PLC049074.

### III. Tax Approvals in relation to our Company

- a. The Permanent Account Number of our Company is AA ECP1870C
- b. The Tax deduction Account Number (TAN) of our Company is RKTP01954B
- c. The Goods and Services Tax Numbers of our Company are as follows;

Sr. No.	State	GST Number	Issuing Authority	Date of Issue
1.	Gujarat*	24AAECP1870C1ZT	Government of India	19/09/2017
2.	West Bengal*	19AAECP1870C1ZK	Government of India	20/09/2017
3.	Rajasthan	08AAECP1870C1ZN	Government of India	24/09/2017
4.	Maharashtra*	27AAECP1870C1ZN	Government of India	22/09/2017



*\*Our Company has applied for name change pursuant to its conversion from a private company to a public company.*

The Professional tax registration numbers of our Company are as follows:

Sr. No.	State	Professional Tax Number	Issuing Authority	Date of Issue
1.	Gujarat	PEC: 0480175	Rajkot Municipal Corporation	07/10/2015
2.	Gujarat	PRC: 0402729	Rajkot Municipal Corporation	14/10/2015
3.	Gujarat	PEC: 016281254	Ahmedabad Municipal Corporation	24/07/2017
4.	Gujarat	PRC: 016280320	Ahmedabad Municipal Corporation	24/07/2017
5.	Gujarat	PRC: 03SW00010631	Surat Municipal Corporation	01/01/2013
6.	Gujarat	PEC: 03SW00020652	Surat Municipal Corporation	01/01/2013
7.	West Bengal	PTRC: 191002411911	WB CENTRAL Unit-VI, Behala	22/05/2015
8.	West Bengal	PTEC: 192011516685	WB CENTRAL Unit-VI, Behala	22/05/2015
9.	Maharashtra	PTRC: 27040912987P	Professional Tax Officer, Mumbai	18/02/2013
10.	Maharashtra	PTEC: 99371940448P	Professional Tax Officer, Mumbai	01/04/2012

#### IV. Approvals obtained in relation to business operations

Our Company requires various approvals and/or licenses to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

- a. Factory license from Directorate of Industrial Safety and Health, Gujarat State bearing registration No. 2654/31001/2016 along with License No. 2383.
- b. Certificate of Importer-Exporter Code (IEC) bearing no. 2411002009 issued by Director General of Foreign Trade.
- c. Excise Code of the Company bearing no. AAEC1870CED001 issued by Central Board of Excise and Customs.
- d. Registration certificate from the Shops and Commercial establishment bearing registration No. PH/PRHL/2900004/0177082 for property situated at "Circle - P" SarkhejGandhinagar Highway, 100 Feet Road Corner, Opp. Nima Farm, Ahmedabad.
- e. Certificate issued by the Employees Provident Fund Organization (EPFO) bearing registration No. GJ/SRO/RJT/42904/IW/583.


Further, our company has not obtained certain approvals such as, registration under ESIC, Shops and Establishments for our establishments except as mentioned above.




## V. Other Certifications

- a. ISO 9001:2015 certificate in Quality Management System bearing no. 33497-A01.
- b. ISO 13485:2012 certificate in Quality Management System bearing no. MSYS/1663/16.
- c. ISO 14001:2015 certificate in Environmental Management System bearing no. IN104657B.
- d. OHSAS 18001:2007 certificate in Health & Safety Management System bearing No. IN104657C.
- e. Certificate of Compliance bearing no. 70213 issued by CDG Inspection Limited in respect of conformance with the standard developed by Business and Industrial Furniture Manufacturers Association BIFMA International for the product "Three Seater Airport Terminal Chair".

## VI. Intellectual property related approvals

Our Company has registered its trademark "Parin" (Label)  under Class 20 which is registered with the Trade Marks Registry until December 8, 2025. Our Company has further registered its trademark

"Parin" (Label)  under class 20 which is registered with the Trade Marks Registry until October 16, 2022.

Further, our Company has granted non-exclusive rights to our Subsidiary Company Pearl Furniture Private Limited to use both the Trademarks by the way of Memorandum of Understanding dated April 10, 2018.



## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

#### **Corporate Approvals**

1. Our Board of Directors has authorized the Issue by a resolution dated April 16, 2018 subject to the approval of the Shareholders of our Company under Section and 62(1) (c) of the Companies Act 2013.
2. Our Shareholders have, pursuant to a special resolution passed on April 19, 2018 under Section 62(1) (c) of the Companies Act 2013, authorized the Issue.

Our Company in consultation with BRLM may consider a Pre-IPO Placement of up to 6,00,000 Equity Shares for cash aggregating Rs. [●] Lakhs, at its discretion in favour of such investors permissible under applicable laws, to be completed prior to filing of the Red Herring Prospectus with the RoC and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Issue size, subject to compliance with Rule 19(2)(b) of SCRR.

#### **In-principle Approvals**

Our Company has obtained in-principle approval from National Stock Exchange of India Limited (NSE) for using its name in this Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus pursuant to an approval letter dated [●]. NSE is the Designated Stock Exchange.

#### **Prohibition by SEBI, RBI or governmental authorities**

None of our Company, our Promoters, the members of our Promoter Group, our Directors or persons in control of our Company are or have ever been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other governmental authorities.

Neither our Promoters, nor any of our Directors or persons in control of our Company were or are a promoters, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

The companies with which our Directors are or were associated as promoters, directors or persons in control are not prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

#### **Association with Securities Market**

None of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as Promoters or Directors.

#### **Prohibition with respect to wilful defaulters**

Neither our Company, our Promoters, our Directors, Group Company, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters as defined by the SEBI ICDR Regulations.



## Eligibility for the Issue

Our Company is eligible in terms of Regulations 4(2) of SEBI ICDR Regulations for this Issue.

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

Our Company is eligible for the Issue in accordance with Regulation 106(M) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post Issue paid up capital is more than Rs. 10 Crore and upto Rs. 25 Crore, we may hence Issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "SME Platform of NSE").

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue is 100% underwritten and that the BRLM to the Issue shall underwrites minimum 15% of the total Issue size. For further details pertaining to said underwriting please refer to section titled "General Information – Underwriting" beginning on page 56.
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 shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) 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 (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed the Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book Running Lead Manager submits a copy of the Red Herring Prospectus and Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus and Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Book Running Lead Manager and will enter into agreement with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the Emerge Platform of NSE. For further details of the arrangement of market making please refer to section titled "General Information – Details of the Market Making Arrangements for this Issue beginning on page 56.

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, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this issue.

5. Our Company shall facilitate trading in demat securities and shall enter into agreement with NSDL and CDSL. The Company will enter into agreement for registration with the Central Depository Services Limited (CDSL) dated [●] and National Securities Depository Limited dated [●] for establishing connectivity.



6. Our Company has a website i.e. [www.parinfurniture.com](http://www.parinfurniture.com)
7. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE (NSE Emerge).

8. Our Company was originally incorporated as “Parin Furniture Private Limited” on September 12, 2006 vide Registration no. 049074 (CIN: U36101GJ2006PTC049074) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat Dadra & Nagar Havelli. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on March 17, 2018, our company was converted into a Public Limited Company and the name of our Company was changed to “Parin Furniture Limited” vide a fresh Certificate of Incorporation dated April 04, 2018 bearing CIN U36101GJ2006PLC049074 issued by the Registrar of Companies, Ahmedabad, Gujarat.
9. The post Issue paid up capital of the company will be [●] shares of face value of Rs. 10/- aggregating to Rs. [●] crore which is less than Rs. 25 Crore.
10. The company confirms that it has track record of more than 3 years.
11. The company confirms that it has positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth as on March 31, 2018 is positive.
12. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
13. There is no winding up petition against our Company that has been admitted by the Court and no liquidator has been appointed against the Company.
14. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
15. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Company, companies promoted by the promoters of the company.
16. There are no defaults in respect of payment of interest and/or principal to the debenture/bond/ fixed deposit holders, banks, financial institutions by our Company, Promoters, Group Company, companies promoted by the Promoters during the past three years.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of NSE (NSE Emerge).

#### **Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations**

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a Company.





## **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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT 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 ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI AND STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED MAY 21, 2018 WHICH READS AS FOLLOWS:**

**WE, THE UNDER NOTED THE BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE 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 DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE DRAFT RED HERRING PROSPECTUS FILED WITH THE EXCHANGE IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS**





OF THE COMPANIES ACT, 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 DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. NOTED FOR COMPLIANCE;
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE STOCK EXCHANGE TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS. COMPLIED WITH AND NOTED FOR COMPLIANCE;
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 DRAFT RED HERRING PROSPECTUS. COMPLIED WITH AND NOTED FOR COMPLIANCE;
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE;
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH;



9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKER TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE –NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT 2013, EQUITY SHARES IN THE ISSUE WILL BE ISSUED IN DEMATERIALISED FORM ONLY;
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. COMPLIED WITH;
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE - NOTED FOR COMPLIANCE;
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC. COMPLIED WITH;
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 DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. COMPLIED WITH;



16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015. COMPLIED WITH;
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-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS.
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS (IF APPLICABLE) -NOT APPLICABLE

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

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING 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 DRAFT RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER – NOTED FOR COMPLIANCE.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO 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 DRAFT RED HERRING 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 Draft Red Herring Prospectus does not, however, absolve our company and any person who has authorized the Issue of this Draft Red Herring Prospectus 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 Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Manager any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Red Herring Prospectus with the Registrar of Companies, Gujarat, Ahmedabad in terms of sections 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

**Statement on Price Information of Past Issues handled by Hem Securities Limited:**

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Pashupati Cotspin Limited	20.88	75.00	September 08, 2017	77.00	-0.13% [0.54%]	-1.47% [2.33%]	-5.33% [2.21%]
2.	Share India Securities Limited	26.37	41.00	October 05, 2017	44.75	49.27% [6.30%]	112.32% [6.97%]	158.54% [5.36%]
3.	RKEC Projects Limited	28.70	45.00	October 09, 2017	54.00	202.22% [3.15%]	281.78% [6.36%]	195.56% [3.91%]
4.	D. P. Abhushan Limited	16.61	28.00	October 23, 2017	33.60	92.86% [1.55%]	162.50% [7.67%]	250.00% 3.93%
5.	ANI Integrated Services Limited	25.656	100.00	November 20, 2017	120.00	67.00% [1.41%]	21.00% [0.77%]	NA
6.	Dynamic Cables Limited	23.376	40.00	December 14, 2017	48.00	63.13% [4.80%]	25.00% [1.77%]	NA
7.	Vasa Retail and Overseas Limited	4.8	30.00	February 06, 2018	36.00	104.33% [-2.43]	170.00% 2.07%	NA
8.	Hindcon Chemicals Limited	7.728	28.00	March 09, 2018	33.60	[3.57%] 1.49%	NA	NA
9.	Tara Chand Logistic	20.46	55.00	March 23, 2018	49.00	[12.73%] 5.87%	NA	NA



	Solutions Limited							
10.	Dhruv Consultancy Services Limited	23.20	54.00	May 10, 2018	53.40			

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

#### Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2013-14	3 <sup>(1)</sup>	10.66	-	-	1	1	1	-	-	-	-	2	-	1
2014-15	7 <sup>(2)</sup>	38.25	-	-	-	2	-	5	-	-	-	3	-	4
2015-16	8 <sup>(3)</sup>	34.20	-	-	1	2	2	3	-	-	-	3	1	4
2016-17	12 <sup>(4)</sup>	99.90	-	-	2	3	3	4	-	-	3	4	2	3
2017-18	16 <sup>(5)</sup>	257.41	-	1	3	6	2	3	-	-	3	4	2	1

(1) The scrips of Samruddhi Realty Limited, Captain Polyplast Limited and Tentiwal Wire Products Limited were listed on April 12, 2013, December 11, 2013 and December 31, 2013 respectively.

(2) The scrips of R&B Denims Limited, Bansal Roofing Products Limited, Atishay Infotech Limited, Dhabriya Polywood Limited, Vibrant Global Capital Limited, ADCC Infocad Limited and Captain Pipes Limited were listed on April 22, 2014, July 14, 2014, October 16, 2014, October 17, 2014, October 21, 2014, October 22, 2014, and December 11, 2014 respectively.

(3) The scrips of O.P. Chains Limited, Junction Fabrics and Apparels Limited, Loyal Equipments Limited, Emkay Taps & Cutting Tools Limited, Universal Autofoundry Limited, Bella Casa Fashion and Retail Limited, Vishal Bearings Limited and Cawasji Behramji Catering Services Limited were listed on April 22, 2015, July 10, 2015, July 16, 2015, August 13, 2015, September 4, 2015, October 15, 2015, October 15, 2015 and October 19, 2015 respectively.

(4) The scrips of Raghav Ramming Mass Limited, Advance Syntex Limited, Madhya Bharat Agro Products Limited, Aurangabad Distillery Limited, Pansari Developers Limited, Dhanuka Realty Limited, Globe International Carriers Limited, Art Nirman Limited, Krishana Phoschem Limited, Global Education Limited, RMC Switchgears Limited and Laxmi Cotspin Limited were listed on April 13, 2016, July 12, 2016, September 16, 2016, October 17, 2016, October 18th, 2016, October 18th, 2016, October 19th, 2016, October 19th, 2016, February 27, 2017, March 02, 2017, March 14, 2017 and March 31, 2017 respectively.

(5) The Scrips of Dev Information Technology Limited, Vadivarhe Speciality Chemicals Limited, Globe Textiles (India) Limited, Accord Synergy Limited, Captain Technocast Limited, Shanti Overseas (India) Limited, Surevin BPO Services Limited, Pashupati Cotspin Limited, Share India Securities Limited, RKEC Projects



Limited, D. P. Abhushan Limited, ANI Integrated Services Limited, Dynamic Cables Limited, Vasa Retail and Overseas Limited, Hindcon Chemicals Limited, Tara Chand Logistic Solutions Limited and Dhruv Consultancy Services Limited was listed on April 17, 2017, June 02, 2017, June 23, 2017, July 06, 2017 August 01, 2017, August 03, 2017, August 09, 2017, September 08, 2017, October 05, 2017, October 09, 2017, October 23, 2017, November 20, 2017, December 14, 2017, February 06, 2018, March 09, 2018, March 23, 2018 and May 10, 2018 respectively. Further, the Scrips of ANI Integrated Services Limited, Dynamic Cables Limited and Vasa Retail and Overseas Limited have not completed 180<sup>th</sup> days from the date of their listing. Moreover, the scrips of Hindcon Chemicals Limited and Tara Chand Logistic Solutions Limited have not completed 90<sup>th</sup> and 180<sup>th</sup> days from the date of their listing and the scrip of Dhruv Consultancy Services Limited has not completed their 30<sup>th</sup> day from the date of their listing.

Note:

- a) Based on date of listing.
- b) BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- c) Prices on BSE/NSE are considered for all of the above calculations.
- d) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- e) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- f) N.A. – Period not completed.
- g) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the BRLM. Hence, disclosures pertaining to recent 10 issues handled by BRLM are provided.

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

**Track Record of past issues handled by Hem Securities Limited**

For details regarding track record of Book Running Lead Manager to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Book Running Lead Manager at: [www.hemsecurities.com](http://www.hemsecurities.com)

**Disclaimer from our Company and the Book Running Lead Manager**

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, [www.parinfurniture.com](http://www.parinfurniture.com) or Our Group Company or would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered into among the BRLM, and our Company, and the Underwriting Agreement to be entered into among the Underwriters, and our Company.

All information shall be made available by our Company and the BRLM to the Bidders and public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, 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 the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, 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.

The BRLM and their associates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

#### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under 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 Rs. 2,500.00 Lakhs and pension funds with a minimum corpus of Rs. 2,500.00 Lakhs, 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 Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Gujarat 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 offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring 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.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

#### **Disclaimer Clause of the SME Platform of NSE**

As required, a copy of this Draft Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given by way of its letter [●] permission to the Issuer to use the Exchange name in the Offer Document as one of the stock exchanges on which this Issuers securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document



has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this draft offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S 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 offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids 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**

This Draft Red Herring Prospectus has filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai 400051, India.

This Draft Red Herring Prospectus shall not be filed with the SEBI nor will SEBI issue any observation on the Offer Document in terms of Regulation 106(M) (3) of the SEBI (ICDR) Regulations.

However, a copy of the Red Herring Prospectus and Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, Western Regional Office, Unit No: 002, Ground Floor, Sakar I, Near Gandhigram Railway Station, Opposite Nehru Bridge, Ashram Road, Ahmedabad – 380009 for their record purpose only.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act 2013 will be delivered for registration to the RoC situated at the address mentioned below:

#### **Registrar of Companies, Gujarat**

ROC Bhavan, Opp Rupal Park Society,  
Behind Ankur Bus Stop,  
Naranpura, Ahmedabad-380013

**Phone:** 079-27437597,

**Fax:** 079-27438371





## **Listing**

The Equity Shares of our Company are proposed to be listed on NSE Emerge. Our Company has obtained in-principle approval from NSE by way of its letter dated [●] for listing of equity shares on NSE Emerge.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of NSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period subject to applicable law.

## **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013. The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## **Consents**

Consents in writing of (a) our Directors, our Promoters, our Company Secretary & Compliance Officer, Chief Financial Officer, our Statutory Auditor, our Peer Review Auditor, Book Running Lead Manager, Registrar to the Issue, Banker to our Company, Legal Advisor to the Issue, Advisor to the Issue have been obtained; and (b) Banker(s) to the Issue, Refund Bank, Syndicate Member(s) to the Issue and Market Maker to the Issue to act in their respective capacities will be obtained as required under section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring 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 Red Herring Prospectus and the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s Bhavin Associates, Chartered Accountants, Statutory Auditor and M/s J B Shah & Co, Chartered Accountants Peer Review 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 standalone financial statements & restated consolidated financial statements as included in this Draft Red Herring Prospectus/ Red Herring 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 the Red Herring Prospectus and the Prospectus for registration with the RoC.

### **Experts Opinion**

Except for the reports in the section titled "*Financial Information*" and "*Statement of Tax Benefits*" beginning on pages 187 and 107 respectively from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions.

### **Issue Expenses**

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter "*Objects of the Issue*" beginning on page 97.

### **Details of Fee Payable:**

#### **Fees, Brokerage and Selling Commission payable**

The total fees payable to the Book Running Lead Manager will be as per the (i) Agreement dated February 20, 2018 with the Book Running Lead Manager, Hem Securities Limited, (ii) the Underwriting Agreement dated [●] with Underwriter and (iii) the Market Making Agreement dated [●] a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Draft Red Herring Prospectus until the Issue Closing Date.

#### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue, including fees for processing of Bid cum Application Forms, data entry, printing of Allotment Advice/CAN, refund order, preparation of refund data on magnetic tape and printing of bulk mailing register, will be as per the Registrar Agreement signed among our Company and the Registrar to the Issue, a copy of which shall be made available for inspection at our Registered and Corporate Office from 10 am to 4 pm on Working Days. Adequate funds shall be provided to the Registrar to the Issue to enable it to send refund orders or Allotment Advice by registered post or speed post or ordinary post.

#### **Particulars regarding Public or Rights Issues during the last five (5) years**

Except as disclosed in section titled "*Capital Structure*" beginning on page 66, our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Red Herring Prospectus.

#### **Previous issues of Equity Shares otherwise than for cash**

For a detailed description, section titled "*Capital Structure*" beginning on page 66.

#### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.



**Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years**

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made/Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

**Performance vis-a-vis objects – Public/rights 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 66 our Company has not undertaken any previous public or rights issue. None of the Group Company or associates of our Company are listed on any stock exchange.

**Performance vis-a-vis objects - Last Issue of Group/Associate Company**

All of our Group / Associate Companies are unlisted and have not made a public issue of shares.

**Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

Our Company does not have any outstanding debentures or bonds or Redeemable Preference Shares as on the date of filing this Draft Red Herring Prospectus.

**Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus.

**Option to Subscribe**

Equity Shares being offered through the Red Herring Prospectus can be applied for in dematerialized form only.

**Stock Market Data of the Equity Shares**

This being an initial 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 between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of this Draft Red Herring Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

Investors may contact the BRLM for any complaint pertaining to the Issue. All grievances, other than by Anchor Investors, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full name of the sole or first Bidder, Bid cum



Application Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor. Our Company, BRLM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue 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 Ms. Krishna Subhashchandra Lodhiya, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

#### **Ms. Krishna Subhashchandra Lodhiya**

##### **Parin Furniture Limited**

Plot No. 6, Revenue Survey No. 149,

National Highway,

at Vavdi, Gondal Road,

Rajkot, Gujarat – 360 004, India

Tel. No. +91-281-3300777

Fax No. +91-281-3063000

E-Mail: cs@parinfurniture.com

Website: www.parinfurniture.com

Our Board by a resolution on April 20, 2018 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled "*Our Management*" beginning on page 152.

**Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue 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 Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.



### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

### **Change in Auditors during the last three (3) years**

There have been no changes in Auditors of our Company in during the last three years preceding the date of this Draft Red Herring Prospectus.

### **Capitalization of Reserves or Profits**

Except as disclosed under section titled "*Capital Structure*" beginning on page 66, 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 Draft Red Herring Prospectus.

### **Tax Implications**

Investors who are allotted Equity Shares in the Issue 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 Exchange. For details, please refer to section titled "*Statement of Tax Benefits*" beginning on page 107.

### **Purchase of Property**

Other than as disclosed under section titled "*Our Business*" beginning on page 117, 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 Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring 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 Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in this Draft Red Herring 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 Draft Red Herring 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 152, and 185 respectively, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.



## SECTION VII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being offered and transferred pursuant to this Issue will be subject to the provisions of the Companies Act, the SEBI (ICDR) Regulations, the SCRR, the SCRA, our Memorandum of Association, our Articles of Association, the Listing Regulations, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the abridged prospectus and other terms and conditions as may be incorporated in the CAN, the Allotment Advice and other documents and certificates that may be executed in respect of the Issue. The Equity Shares will 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, GoI, Stock Exchanges, the RoC, RBI and/or other authorities to the extent applicable or such other conditions as may be prescribed by any governmental, regulatory or statutory authority as in force on the date of the issue and to the extent applicable.

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms.*

#### **Authority for the Issue**

The present Public Issue of up to 38,00,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on April 16, 2018 and was approved by the Shareholders of our Company by passing Special Resolution at the Extra Ordinary General Meeting held on April 19, 2018 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued will be subject to the provisions of the Companies Act, 2013, the Listing Regulations, our Memorandum of Association and our Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares, including in respect of dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For more information, please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page 401.

#### **Mode of Payment of Dividend**

Our Company will pay dividend, if declared, to our Equity Shareholders, as per the provisions of the Companies Act, the Listing Regulations, our Memorandum of Association and our Articles of Association, and any guidelines or directives that may be issued by the GoI thereto and as per the recommendation by our Board of Directors and approved by our Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. For more information, see the chapters titled "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" beginning on page 186 and 401, respectively.

#### **Face Value and Price Band**

The face value of each Equity Share is Rs. 10/-. At any given point of time there will be only one denomination for the Equity Shares.

The Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the BRLM, and published by our Company at least five Working Days prior to the Bid/Issue Opening Date, in the [●] edition of





[●] (a widely circulated English national daily newspaper), the [●] edition of [●] (a widely circulated Hindi national daily newspaper) and the [●] edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Ahmedabad where our Registered Office is located), and shall be made available to the Stock Exchange for uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the websites of the Stock Exchange.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations, guidelines and the Articles of Association, the Equity Shareholders will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or 'electronic-voting';
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights as may be available to a shareholders of a listed public company under the Companies Act, SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see the chapter titled "*Main Provisions of the Articles of Association*" beginning on page 401.

### **Compliance with disclosure and accounting norms**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Minimum Application Value, Market Lot and Trading Lot**

In terms of Section 29 of the Companies Act 2013, the Equity Shares will be allotted only in dematerialized form. As per the SEBI (ICDR) Regulations, the trading of our Equity Shares will only be in dematerialized form. In this context, two agreements shall be signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated [●] amongst NSDL, our Company and the Registrar to the Issue;
- Agreement dated [●] amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialized form, the tradable lot is [●] Equity Shares. Allotment in this Issue will be only in electronic form in multiples of [●] Equity Shares.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful bidders in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with Regulation 106(Q) 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.*



## **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Rajkot, Gujarat, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 ("Securities Act") and may not be offered or sold within the United States (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 are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

## **Nomination Facility**

In accordance with Section 72 of the Companies Act 2013, read with Companies (*Share Capital and Debentures*) Rules, 2014, as amended, the sole or first Bidder, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of the holder's death during minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, will, on the production of such evidence as may be required by our Board, elect either to:

- register himself or herself as holder of Equity Shares; or
- make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our 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 90 days, our Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue 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 Issue**

Our Company, in consultation with the BRLM, reserve the right not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-issue advertisements were published, within two days of the Bid/Issue Closing



Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLM through the Registrar to the Issue, 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 Exchange on which Equity Shares are proposed to be listed. Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, 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 Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

### **Bid/Issue Period**

<b>BID/ISSUE OPENS ON</b>	[●]
<b>BID/ISSUE CLOSES ON</b>	[●]

*\* Our Company, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations*

An indicative timetable in respect of the Issue is set out below:

<b>Event</b>	<b>Indicative Date</b>
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds / unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or about [●]

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company or the BRLM.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within six Working Days of the Bid/Issue Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchange. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

### **Submission of Bids:**

<b>Bid/Issue Period (except the Bid/Issue Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))
<b>Bid/ Issue Closing Date</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

### **On the Bid/ Issue Closing Date, the Bids shall be uploaded until:**

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders

On Bid/Issue Closing Date, extension of time will be granted by Stock Exchange only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.



**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.**

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in physical Bid cum Application Form, for a particular Bidder the details of the Bid file received from Stock Exchange may be taken as final data for purposes of Allotment.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company, or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

**In case of revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members.**

#### **Minimum Subscription**

In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through this Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level.

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 Red Herring 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 60 (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 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with Regulation 106R of SEBI ICDR Regulations, The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



*Further, in accordance with Regulation 106R of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).*

#### **Arrangement for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] 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 SME Platform of NSE.

#### **Migration to Main Board**

In accordance with NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above 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 the 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 our Company is more than Rs. 10 Crore and up to Rs. 25 Crore, our company may still apply for migration to the Main Board. If our Company fulfills the eligibility criteria for listing laid down by the Main Board of NSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

#### **Market Making**

The shares offered through this Issue are proposed to be listed on the SME platform of NSE, wherein the Book Running Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE. For further details regarding market making, please refer to chapter titled "General Information" on page 56.

#### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue**

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.

### **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 Issue.

### **Application by Eligible NRIs, FPIs, VCFs, AIFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoters minimum contribution in the Issue as detailed under chapter titled "*Capital Structure*" beginning on page 66, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/debentures and on their consolidation/splitting except as provided in the Articles of Association. For further details, please refer to section titled "*Main Provisions of the Articles of Association*" beginning on page 401.

### **Pre- Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] edition of [●] (a widely circulated English national daily newspaper), [●] edition of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of (a widely circulated Gujarati newspaper, Gujarati being the regional language of Ahmedabad, where our registered office is situated). Our Company shall, in the pre-issue advertisement state the Bid/ Issue Opening Date, the Bid/ Issue Closing Date and the QIB Bid/ Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.



## ISSUE STRUCTURE

Initial Public Offering is of up to 38,00,000 Equity Shares of face value of Rs. 10 each, at an Issue Price of Rs. [●] per Equity Share for cash, aggregating up to Rs. [●] Lakhs. The Net Issue will constitute [●] % of the post-issue paid-up Equity Share capital of our Company.

Our Company in consultation with BRLM may consider a Pre-IPO Placement of up to 6,00,000 Equity Shares for cash aggregating Rs. [●] Lakhs, at its discretion in favour of such investors permissible under applicable laws, to be completed prior to filing of the Red Herring Prospectus with the RoC and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Issue size, subject to compliance with Rule 19(2)(b) of SCRR.

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations and through the Book Building Process.

Particulars	QIBs*	Non-Institutional Bidders	Retail Individual Bidders	Market Maker Reservation Portion
Number of Equity Shares available for allocation*	Not more than [●] Equity Shares	Not less than [●] Equity Shares or Issue less allocation to QIBs and Retail Individual Bidders	Not less than [●] Equity Shares or Issue less allocation to QIBs and Non-Institutional Bidders	[●] Equity Shares
Percentage of Issue size available for allocation	Not more than 50% of the Net Issue shall be available for allocation to QIBs. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only.  Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. Any unsubscribed portion in the Mutual Fund reservation will be added to the QIB Portion	Not less than 15% of the Net Issue or the Net Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 35% of the Net Issue, or the Net Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.	[●]% of the Issue Size
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows:  (a) At least [●] Equity Shares will be available for allocation on a	Proportionate	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to	Firm Allotment



Particulars	QIBs*	Non-Institutional Bidders	Retail Individual Bidders	Market Maker Reservation Portion
	<p>proportionate basis to Mutual Funds only; and</p> <p>(b) [●] Equity Shares will be available for allocation on a proportionate basis to all other QIBs including Mutual Funds receiving allocation as per (a) above</p>		<p>availability of Equity Shares in the Retail Category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. For more information, see "Issue Procedure" on page 350.</p>	
Mode of Bidding	Through ASBA process only			
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, so that the Bid Amount exceeds Rs. 2,00,000	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds Rs. 2,00,000	[●] Equity Shares	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net Issue, subject to applicable Limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed Rs. 2,00,000	[●] Equity Shares
Mode of Allotment	Compulsorily in dematerialized form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Trading Lot	[●] Equity Shares			
Who can Apply***	Public financial institutions specified in Section 2(72) of the Companies Act, FPIs (other than category III FPIs), scheduled commercial banks, mutual funds registered with the SEBI, venture capital funds registered with SEBI, FVCIs, Alternative Investment	Companies, Corporate Bodies, Scientific Institutions, Societies, Trusts, Resident Indian Individuals, HUF (in the name of Karta), Eligible NRIs and sub accounts of FIIs registered with	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed Rs. 2,00,000 in value	Market Maker





Particulars	QIBs*	Non-Institutional Bidders	Retail Individual Bidders	Market Maker Reservation Portion
	Funds, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 2500 Lakhs, pension funds with a minimum corpus of Rs. 2500 Lakhs, the National Investment Fund set up by the GoI, insurance funds set up and managed by the army, navy, or air force of the Union of India and Insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	SEBI, which are foreign corporates or individuals eligible QFIs and Category III FPIs.		
Terms of Payments**	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form.			

*\*Assuming full subscription in the Issue.*

*\*\*If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

As per Regulation 43(2) of the SEBI (ICDR) Regulations 'the allocation' in the net issue to the public category shall be made as follows:

- Not less than thirty five per cent to retail individual investors; and
- Not less than fifteen per cent to non-institutional investors; and
- Not more than fifty per cent to qualified institutional buyers, 5% (five per cent) of which shall be allocated to mutual funds.

Provided that in addition to five per cent allocation available in terms of clause (c), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.

*Under subscription, if any, in any category except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange.*



**Bid/Issue Programme\***

<b>BID/ ISSUE OPENING DATE</b>	[•]
<b>BID/ ISSUE CLOSING DATE</b>	[•]

*\*Bids 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 Bidding Centres mentioned in the Bid cum Application Form. On the Bid/Issue Closing Date when Bids will be accepted only between 10.00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders and until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.*

Due to limitation of time available for uploading the bids on the Bid/ Issue Closing Date, Bidders are advised to submit their bids one day prior to the Bid/Issue Closing Date and, in any case, not later than 1.00 p.m. IST on the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings, some bids may not get uploaded due to lack of sufficient time. Such bids that cannot be uploaded will not be considered for allocation under this Issue.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



## ISSUE PROCEDURE

All Bidders should review the General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (General Information Document), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and SEBI Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 for compensation to Retail Individual Investors (RIIs) in an IPO included below under "**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, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI (ICDR) Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and is not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus

Please note that all the Bidders can participate in the Issue only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.

Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (DP), Registrar to the Issue and Share Transfer Agent (RTA) that have been notified by National Stock Exchange of India Limited to act as intermediaries for submitting Bid cum Application Forms are provided on [www.nseindia.com](http://www.nseindia.com). For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned NSE website.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 01, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Bid cum Application forms.

## BOOK BUILDING PROCEDURE

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price.

Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.



Under-subscription, if any, in any category, except in the QIB 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 BRLM and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

#### **BID CUM APPLICATION FORM:**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All Bidders (except Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected

The prescribed colour of the Bid Cum Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Bid cum Application Form*</b>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis (ASBA )	Blue

*\*excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.

#### **WHO CAN BID?**

In addition to the category of Bidders set forth under *General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in Issue*, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under



- the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organizations authorised in India to invest in the Equity Shares.

#### MAXIMUM AND MINIMUM APPLICATION SIZE

a) ***For Retail Individual Bidders:***

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidders does not exceed Rs. 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000.

b) ***For Other Bidders (Non-Institutional Bidders and QIBs)***

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Net Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

#### INFORMATION FOR THE BIDDERS:

- Our Company shall file the Red Herring Prospectus with the RoC at least three working days before the Bid / Issue Opening Date.
- Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre- issue advertisement, in the form prescribed under the SEBI (ICDR) Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue/Bid Opening Date, the Issue/Bid Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- The Price Band as decided by our Company in consultation with the Book Running Lead Manager is Rs. [●] per Equity Share. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share and the minimum bid lot is of [●] Equity Shares. Our Company shall also announce the Price Band at least five Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.
- This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchange where the Equity Shares are proposed to be listed and shall also be pre- filled in the Bid cum application forms available on the websites of the stock exchange.
- The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchange, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.

The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application



Form is liable to be rejected.

**OPTION TO SUBSCRIBE IN THE ISSUE:**

- a) As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

A single Bid cum application from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law.

**AVAILABILITY OF RED HERRING PROSPECTUS AND BID CUM APPLICATION FORM:**

- a) Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

**APPLICATIONS BY ELIGIBLE NRI'S/REPI'S REPATRITION BASIS:**

NRIs may obtain copies of Bid cum Application Form from the offices of the Book Running Lead Manager and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour)

**PARTICIPATION BY ASSOCIATED/AFFILIATES OF BOOK RUNNING LEAD MANAGER AND SYNDICATE MEMBERS:**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

**BIDS BY ELIGIBLE NRI'S:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).





Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour)

#### **BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).



### **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

### **BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in 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 Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum 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 Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

### **BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only





through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, 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 along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, 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 Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.



The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

**BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

**BIDS BY BANKING COMPANY:**

In case of Bids 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 Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the —Banking Regulation Act), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

**BIDS BY SCSB'S:**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 02, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.



#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders 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 Bidder.

#### **TERMS OF PAYMENT:**

The entire Issue price of Rs. [●] per share is payable on Bid cum application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

#### **Payment mechanism for Bidders**

The Bidders shall specify the bank account number in the Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid cum Application Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Bid cum Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Application Forms, the Registrar to the Issue 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 finalisation 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 bid cum application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions offered by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors applying in this Issue shall mandatorily make use of ASBA facility.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF RED HERRING PROSPECTUS AND PROSPECTUS WITH ROC:**

- a) Our Company has entered into an Underwriting agreement dated [●].
- b) A copy of the Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 32 of the Companies Act, 2013.



### **PRE-ISSUE ADVERTISEMENT:**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; and (ii) Hindi National Newspaper; and (iii) Regional Newspaper each with wide circulation. In the pre-issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

### **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

### **GENERAL INSTRUCTIONS:**

*Do's:*

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. Ensure that the name(s) given in the Bid cum 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 Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (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) Bids 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 Bidders 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;

13. Ensure that the Demographic Details are updated, true and correct in all respects;
14. 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;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum 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 Bids are liable to be rejected. Where the Bid cum 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 Bid cum Application Form;
19. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
21. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

*Don'ts:*

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceeding Rs. 2,00,000 (for Bids by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or



- under the terms of the Draft Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
  12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
  13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
  14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
  15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
  16. Do not submit more than five Bid cum Application Forms per ASBA Account;

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS:**

- a) Our Company, in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company, in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

#### **COMMUNICATIONS:**

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Bidders can contact the Compliance Officer or the Registrar in case of any pre issue or post issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.





## **IMPERSONATION:**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who—

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or indifferent combinations of his name or surname for acquiring or subscribing for its securities; or
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

## **UNDERTAKING BY OUR COMPANY:**

Our Company undertakes:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at Emerge Platform of NSE where the Equity Shares are proposed to be listed within six working days from Bid/Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. That our Promoter's contribution in full has already been brought in;
5. 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 refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
7. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. If our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock Exchange, in the event our Company subsequently decides to proceed with the Issue;
9. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period

## **UTILIZATION OF THE ISSUE PROCEEDS:**

The Board of Directors of our Company certifies that:

1. All monies received out of the Fresh issue shall be transferred to a separate Bank Account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the Fresh issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies



- have been utilized;
3. Details of all unutilized monies out of the Fresh issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested;
  4. Our Company shall comply with the requirements of the Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.
  5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
  6. The BRLM undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

**EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL:**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated [●] among NSDL, our Company and the Registrar to the Issue;
- b) Agreement dated [●] among CDSL, our Company and the Registrar to the Issue;
- c) The Company's shares bear ISIN [●].





## **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. Bidders 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 Bidders should rely on their own examination of the Issue and the Issue, and should carefully read the Draft Red Herring 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 Book-Building Process as well as to the Fixed Price Issue. The purpose of the "*General Information Document for Investing in Public Issues*" is to provide general guidance to potential Bidders in IPOs, on the processes and procedures governing IPOs and FPOs, 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**").

Bidders should note that investment in equity and equity related securities involves risk and Bidder 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 Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("RHP")/Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchange, on the website(s) of the BRLM to the Issue 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 Bidders may refer to the section "*Glossary and Abbreviations*" beginning on page 2.

#### **SECTION 2: BRIEF INTRODUCTION TO IPOs ON NSE EMERGE (SME PLATFORM)**

##### **2.1 INITIAL PUBLIC OFFER (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI (ICDR) Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer. Bidders/Applicants may refer to the DRHP. The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,



- Regulation 106M (1): An issuer whose post issue face value capital does not exceed ten 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 up to twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present issue being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

## 2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is inter-alia required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI Regulations. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

## 2.3 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, the Companies Act, 1956 and the Companies Act, 2013 (the "**Companies Act**"), The Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"), industry- specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, offer has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total offer size.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the offer shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date 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.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The Book Running Lead Manager shall submit the copy of Red Herring Prospectus/Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.
- e) The company should have track record of at least 3 years
- f) The company should have positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth should be positive
- g) The post issue paid up capital of the company (face value) shall not be more than Rs. 25



crore.

- h) The issuer shall mandatorily facilitate trading in demat securities.
- i) The issuer should not be referred to Board for Industrial and Financial Reconstruction.
- j) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- k) 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.
- l) The Company should have a website. Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

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

Thus Company is eligible for the issue in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital is more than Rs. 1000 lakhs and upto Rs. 2500 Lakhs. Company also complies with the eligibility conditions laid by the Emerge Platform of NSE for listing of our Equity Shares.

#### **TYPES OF PUBLIC ISSUES – FIXED PRICE ISSUES AND BOOK BUILT ISSUES**

In accordance with the provisions of the SEBI (ICDR) Regulations, an Issuer can either determine the Issue Price through the Book Building Process (“Book Built Issues”) or undertake a Fixed Price Issue (“Fixed Price Issues”). An issuer may mention Floor Price or Price Band in the DRHP (in case of a Book Built Issue) and a Price or Price Band in the DRHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Red Herring Prospectus (in case of a fixed price issue) and determine the price at a later date before registering the Red Herring Prospectus/ 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 Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Bidders should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

#### **2.4 ISSUE PERIOD**

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issue the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working

Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchange and the BRLM, and the advertisement in the newspaper(s) issued in this regard.

## 2.5 MIGRATION TO MAIN BOARD

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

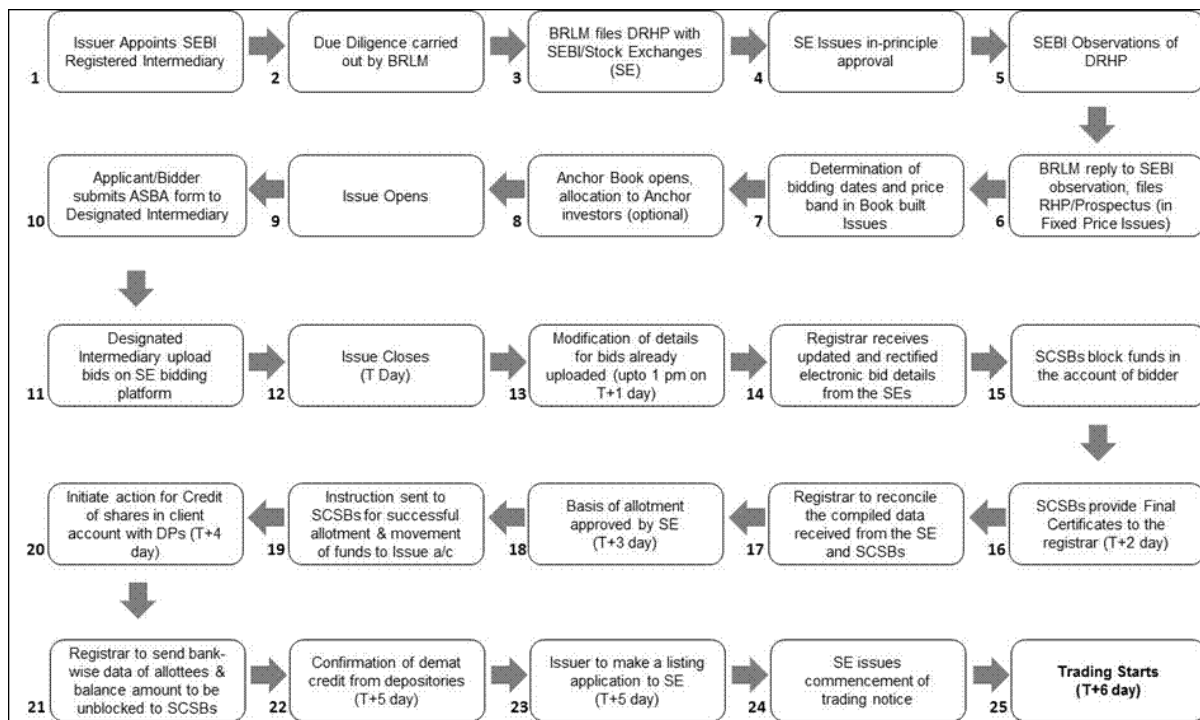
- a) *the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

OR

- b) *If the Paid up Capital of the company is more than Rs. 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 Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

## 2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows:





### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidders should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. 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;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid cum Application Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the DRHP.



Bidders should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders is as follows:

<b>Category</b>	<b>Colour of the Bid cum Application (Excluding downloaded forms from SE website)</b>
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), on a repatriation basis	Blue

Securities issued in an IPO can only be in dematerialized form in compliance with section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

#### **4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM**

Bidders may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non- resident Bidders are reproduced below:





**APPLICATION FORM FOR RESIDENT BIDDERS**

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details: ..... CIN No .....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>																				
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; text-align:center;"><b>BOOK BUILT ISSUE</b></td> <td style="width:50%; text-align:center;">Bid cum Application Form No. _____</td> </tr> <tr> <td style="text-align:center;">ISIN : .....</td> <td></td> </tr> </table>	<b>BOOK BUILT ISSUE</b>	Bid cum Application Form No. _____	ISIN : .....																	
<b>BOOK BUILT ISSUE</b>	Bid cum Application Form No. _____																					
ISIN : .....																						
SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>																				
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	Mr. / Ms. _____																				
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	Address _____																				
		Email _____																				
		Tel. No (with STD code) / Mobile _____																				
		<b>2. PAN OF SOLE / FIRST BIDDER</b>																				
		_____																				
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		<b>6. INVESTOR STATUS</b>																				
For NSDL, enter 8 digit DP ID followed by 3 digit Client ID / For CDSL enter 16 digit Client ID		<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians-NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH																				
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>		<b>5. CATEGORY</b>																				
Bid Option:	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB																				
	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)	<input type="checkbox"/> Please tick																				
	Bid Price    Retail Discount    Net Price																					
	8   7   6   5   4   3   2   1    3   2   1    3   2   1																					
Option 1		<input type="checkbox"/>																				
(OR) Option 2		<input type="checkbox"/>																				
(OR) Option 3		<input type="checkbox"/>																				
<b>7. PAYMENT DETAILS</b>		PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>																				
Amount paid (₹ in figures) _____ (₹ in words) _____																						
ASBA Bank A/c No. _____																						
Bank Name & Branch _____																						
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ADVERTISED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.																						
<b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the law	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)																				
Date : _____	1) _____ 2) _____ 3) _____																					
TEAR HERE																						
LOGO	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - R</b>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; text-align:center;"><b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b></td> <td style="width:50%; text-align:center;">Bid cum Application Form No. _____</td> </tr> <tr> <td></td> <td style="text-align:center;">PAN of Sole / First Bidder _____</td> </tr> </table>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	Bid cum Application Form No. _____		PAN of Sole / First Bidder _____																
<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	Bid cum Application Form No. _____																					
	PAN of Sole / First Bidder _____																					
DPID / CLID	Amount paid (₹ in figures) _____ Bank & Branch _____	Stamp & Signature of SCSB Branch																				
	ASBA Bank A/c No. _____																					
	Received from Mr./Ms. _____																					
	Telephone / Mobile _____ Email _____																					
TEAR HERE																						
<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%;">Option 1</td> <td style="width:33%;">Option 2</td> <td style="width:33%;">Option 3</td> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No. _____</td> <td colspan="2">Stamp &amp; Signature of Broker / SCSB / DP / RTA</td> </tr> <tr> <td>Bank &amp; Branch _____</td> <td colspan="2">Name of Sole / First Bidder _____</td> </tr> </table>	Option 1	Option 2	Option 3	No. of Equity Shares			Bid Price			Amount Paid (₹)			ASBA Bank A/c No. _____	Stamp & Signature of Broker / SCSB / DP / RTA		Bank & Branch _____	Name of Sole / First Bidder _____		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align:center;"><b>Acknowledgement Slip for Bidder</b></td> </tr> <tr> <td style="text-align:center;">Bid cum Application Form No. _____</td> </tr> </table>	<b>Acknowledgement Slip for Bidder</b>	Bid cum Application Form No. _____
Option 1	Option 2	Option 3																				
No. of Equity Shares																						
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Bank & Branch _____	Name of Sole / First Bidder _____																					
<b>Acknowledgement Slip for Bidder</b>																						
Bid cum Application Form No. _____																						



**APPLICATION FORM FOR NON RESIDENT BIDDERS**

TEAR HERE

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> Address : ..... Contact Details: ..... CIN No .....	<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS</b>
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<b>LOGO</b> TO, <b>THE BOARD OF DIRECTORS</b> <b>XYZ LIMITED</b>	<b>BOOK BUILT ISSUE</b> ISIN : .....	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr. / Ms. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCRROW BANK/SCSB BRANCH STAMP & CODE	Address <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
		Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	Tel. No (with STD code) / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
		2. PAN OF SOLE / FIRST BIDDER <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>

<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>	<b>6. INVESTOR STATUS</b> <input type="checkbox"/> NRI Non-Resident Indian(s) (Repatriation basis) <input type="checkbox"/> FII FII or Sub-account not a Corporate/Foreign Individual <input type="checkbox"/> FIISA FII Sub-account Corporate/Individual <input type="checkbox"/> FVCI Foreign Venture Capital Investor <input type="checkbox"/> FPI Foreign Portfolio Investors <input type="checkbox"/> OTH Others (Please Specify) _____																											
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>																												
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<b>7. PAYMENT DETAILS</b> Amount paid (₹ in figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> (₹ in words) _____ ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> Bank Name & Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<b>PAYMENT OPTION : FULL PAYMENT</b> <input type="checkbox"/> <b>PART PAYMENT</b> <input type="checkbox"/>
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I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNEXED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTORS IN PUBLIC ISSUES (GPIID) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING OF THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

<b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b> <span style="border: 1px solid black; display: inline-block; width: 100%; height: 40px;"></span> Date : _____	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the late 1) _____ 2) _____ 3) _____	<b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging receipt of Bid in Stock Exchange system)
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<b>LOGO</b> <b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> PAN of Sole / First Bidder <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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DPID / CLID <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	Amount paid (₹ in figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> Bank & Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	Stamp & Signature of SCSB Branch
ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	Received from Mr./Ms. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	
Telephone / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	

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<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> </tr> <tr> <td>Bid Price</td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span></td> </tr> <tr> <td>Amount Paid (₹)</td> <td colspan="2"><span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span></td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td colspan="2"><span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span></td> </tr> <tr> <td>Bank &amp; Branch</td> <td colspan="2"><span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span></td> </tr> </table>	Option 1	Option 2	Option 3	No. of Equity Shares	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	Bid Price	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	Amount Paid (₹)	<span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>		ASBA Bank A/c No.	<span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>		Bank & Branch	<span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>		Stamp & Signature of Broker / SCSB / DP / RTA <span style="border: 1px solid black; display: inline-block; width: 100px; height: 40px;"></span> Name of Sole / First Bidder <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> <b>Acknowledgement Slip for Bidder</b> Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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#### 4.1.1 FILLED NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE / FIRST BIDDER

- a) Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/ Application Form may be used to dispatch communications) 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 Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids should be made in the name of the Bidder/Applicants 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 Bidder/Applicant would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Bidders 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:*

- *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.*
- e) **Nomination Facility to Bidder:** 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 Bidders/Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST BIDDER

- a) PAN (of the sole/first Bidder) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first 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 Bids on behalf of the Central or State Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim ("PAN Exempted Bidders"). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Bid Amount. Bids by the Bidders 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 Bidders 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) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
  - e) Bids by Bidders 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: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected.

Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active.

Bidder/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to the issue.

Bidders/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 Bidders' sole risk.

#### **FIELD NUMBER 4: BID OPTIONS**

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process.
- c) Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- d) Minimum Bid Value and Bid Lot: The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above Rs. 1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.
- e) Allotment: The Allotment of specified securities to each RII shall not be less than the minimum Bid



Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the RHP or the advertisement regarding the Price Band published by the Issuer.

#### 4.1.3.1 Maximum and Minimum Bid Size

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 2,00,000.
- b) In case the Bid Amount exceeds Rs. 2,00,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to Rs. 2,00,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. NIBs and QIBs are not allowed to Bid at Cut-off Price.
- e) In case the Bid Amount reduces to Rs. 2,00,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- f) For Anchor Investors, if applicable, the Bid Amount shall be least Rs. 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- g) A Bid cannot be submitted for more than the Issue size.
- h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process.

#### 4.1.3.2 Multiple Bids

- a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid



cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
  - (i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - (ii) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
  
- c) The following Bids may not be treated as multiple Bids:
  - (i) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.
  - (ii) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
  - (iii) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - (iv) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

#### **4.1.4 FIELD NUMBER 5: CATEGORY OF BIDDERS**

- a) The categories of Bidders identified as per the SEBI (ICDR) Regulations, for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI (ICDR) Regulations. For details of any reservations made in the Issue, Bidders may refer to the RHP.
- c) The SEBI (ICDR) Regulations specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the DRHP.

#### **4.1.5 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 Bidder, such as NRIs, FPIs and FVCIs may not be allowed to Bid/apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Draft Red Herring Prospectus for more details.
- c) Bidders 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) Bidders should ensure that their investor status is updated in the Depository records.



#### 4.1.6 FIELD 7: PAYMENT DETAILS

- a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- b) Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- c) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- d) All Bidders (except Anchor Investors) can participate in the Issue only through the ASBA mechanism.

Please note that, providing bank account details in the space provided in the Bid cum Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

##### 4.1.7.1 Payment instructions for Bidders

- a) Bidders may submit the ASBA Form either:
  - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - ii. in physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by 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, will not be accepted.
- c) Bidders 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) Bidders 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) Bidders should submit the Bid cum Application Form only at the Bidding Centre i.e to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, 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 such Designated Intermediary, to deposit ASBA Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid 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 Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.



- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- l) Upon submission of a completed ASBA 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 Bid Amount specified in the ASBA 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, as the case may be.

SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.7 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 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 Bids, 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 Bidder 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 ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Issue Closing Date.
- d) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bidders, 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 Bid/ Issue Closing Date.

#### **4.1.8.1 Discount (if applicable)**

- a) The Discount is stated in absolute rupee terms.
- b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable). Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.





#### **4.1.8.2 Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to block funds through 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, payment shall not be accepted out of NRO Account.

#### **4.1.8 SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders 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. In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid/ amount mentioned in the Bid cum Application Form.
- c) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

#### **4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid cum Application Form.
- b) All communications in connection with Bid made in the Issue should be addressed as under:
  - (i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the Issue.
  - (ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.
  - (iii) Bidders may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Issue.
  - (iv) In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
  - (v) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
  - (vi) In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
  - (vii) In case of Bids submitted to the DP, the Bidders should contact the relevant DP.
- c) The following details (as applicable) should be quoted while making any queries –
  - (i) Full name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.
  - (ii) Name and address of the Designated Intermediary, where the Bid was submitted; or
  - (iii) In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder may refer to the Draft Red Herring Prospectus and the Bid cum Application Form.



#### 4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- a) During the Bid/ Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their Bid amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b) RII may revise / withdraw their Bid till closure of the Bid/ Issue period.
- c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- d) The Bidder can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below: Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:





Revision Form – R

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS</b>
	Address : ..... Contact Details: ..... CIN No. ....	

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 _____	
		Tel. No (with STD code) / Mobile _____ Email _____	
		2. PAN OF SOLE / FIRST BIDDER _____	
		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 (Bid must be in multiples of Bid Lot as advertised)										Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)										(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off"	(Please tick)	
Option 1													<input type="checkbox"/>	<input type="checkbox"/>
(OR) Option 2													<input type="checkbox"/>	<input type="checkbox"/>
(OR) Option 3													<input type="checkbox"/>	<input type="checkbox"/>

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bid must be in multiples of Bid Lot as advertised)										Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)										(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off"	(Please tick)	
Option 1													<input type="checkbox"/>	<input type="checkbox"/>
(OR) Option 2													<input type="checkbox"/>	<input type="checkbox"/>
(OR) Option 3													<input type="checkbox"/>	<input type="checkbox"/>

6. PAYMENT DETAILS

Additional Amount Paid (₹ in figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

Bank Name & Branch \_\_\_\_\_

PAYMENT OPTION - FULL PAYMENT  PART PAYMENT

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABBREVIATED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GIDPI) AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

<b>A. SIGNATURE OF SOLE / FIRST BIDDER</b> _____ Date : _____	<b>B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the name 1) _____ 2) _____ 3) _____	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b> _____
---	---	---

TEAR HERE

LOGO	<b>XYZ LIMITED</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	Bid cum Application Form No. _____
	<b>BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>		

PAN of Sole / First Bidder \_\_\_\_\_

DPID / CLID \_\_\_\_\_

Additional Amount Paid (₹)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No. _____	_____	
Received from Mr./Ms. _____	_____	
Telephone / Mobile _____	Email _____	

TEAR HERE

<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	No. of Equity Shares	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	Bid Price					
	Additional Amount Paid (₹)					
	ASBA Bank A/c No. _____					<b>Acknowledgement Slip for Bidder</b>
Bank & Branch _____						



#### 4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION "FROM" AND "TO"**

Apart from mentioning the revised number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.

- a) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.
- b) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 2,00,000. In case the Bid Amount exceeds Rs. 2,00,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- c) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 2,00,000, the Bid will be considered for allocation under the Non- Institutional Category in terms of the DRHP. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- d) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

#### 4.2.3 **PAYMENT DETAILS**

- a) All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- b) Bidder may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 2,00,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the



purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### 4.2.4 SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### 4.3 SUBMISSION OF REVISION FORM/BID CUM APPLICATION FORM /APPLICATION FORM

##### 4.3.1 Bidders may submit completed Bid cum application form / Revision Form in the following manner:

Mode of Bid	Submission of Bid cum Application Form
All investors Bids	To the Bid cum Application Collecting Intermediaries as mentioned in the Draft Red herring Prospectus/ Bid cum Application Form
Application by Anchor Investor	To the BRLM at the location specified in the Anchor Investor Application Form

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

### SECTION 5: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

This being book built issue procedure for fixed price issue is not applicable.

### SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI (ICDR) Regulations. The Issue Price is finalised after the Bid/ Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

#### 6.1 SUBMISSION OF BIDS

- a) During the Bid/ Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the DRHP.

#### 6.2 ELECTRONIC REGISTRATION OF BIDS

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such



time as may be permitted by the Stock Exchanges.

- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment.
- d) The Designated Intermediaries are given till 1:00 pm on the day following the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

### 6.3 BUILD UP OF THE BOOK

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/ Issue Period.

### 6.4 WITHDRAWAL OF BIDS

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### 6.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - i. the Bids accepted by the Designated Intermediaries,
  - ii. the Bids uploaded by the Designated Intermediaries, and the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

### GROUPS OF REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane



persons;

- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price; GIR number furnished instead of PAN; Bid for lower number of Equity Shares than specified for that category of investors; Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders),the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account; Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder; Bids by any persons outside India if not in compliance with applicable foreign and Indian laws; Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority; Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**





## **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs.20 to rs. 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

<b>Bid Quantity</b>	<b>Bid Amount (Rs.)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

## **SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

This being Book Built Issue, this section is not applicable for this Issue.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities).

### **1.1 BASIS OF ALLOTMENT**

#### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped



together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

**b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand. In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
  - In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●]





Equity Shares thereafter for [●]% of the QIB Portion.

- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

d. **ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements
- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to Rs. 10 crores;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 10 crores and up to Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) **In the event that the Issue Price is higher than the Anchor Investor Allocation Price:**
- Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors
- d) **In the event the Issue Price is lower than the Anchor Investor Allocation Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.
- e) **Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue :**

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the EMERGE Platform of National Stock Exchange of India Limited (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:



- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.

The Executive Director / Managing Director of National Stock Exchange of India Limited - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

## 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

**Date:** On the Designated Date, the Escrow Collection Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Accounts, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into

- a) the Public Issue Account.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the



approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. **Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Offer Account on the Designated Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Bid/ Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Bid/ Issue Closing Date.

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the DRHP/Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under section 73 of the Companies Act, 2013 and as disclosed in the DRHP.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Offer is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "stated minimum amount" has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the 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 devolvment of Underwriters within sixty days from the date of closure of the Offer, 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 73 of the Companies



Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

### 8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

### 8.3 MODE OF REFUND

- (a) In case of ASBA Bids: Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Accounts of unsuccessful Bidders and also for any excess amount blocked on Bidding/Application.
- (b) In case of Anchor Investors: Within six Working Days of the Bid/ Issue Closing Date may dispatch refunds for all amounts payable to unsuccessful Anchor Investors.
- (c) In case of Anchor Investors, the Registrar to the Issue may obtain from the Depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Bank, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank

#### 8.3.1 Mode of making refunds

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

#### 8.3.2. Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- (a) NACH—National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;
- (b) NEFT—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and



the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

- (c) RTGS—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.
- (d) Direct Credit—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank. For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

#### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/ Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Bid/ Issue Closing Date, if Allotment is not made.

### SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment/ Allotted	Allot/ Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue to the successful Bidders
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI Regulations and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLM, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
ASBA/ Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account



<b>Term</b>	<b>Description</b>
Application Supported by Blocked Amount Form/ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and Prospectus
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Bidder	All Bidders/Applicants except Anchor Investors
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and Prospectus.
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being [■]
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled " <i>Issue Procedure</i> " beginning on page 350.
Bid	An indication to make an offer during the Bid/ Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations in accordance with the Draft Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bid/ Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/ Prospectus for the circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/ Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/ Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date in accordance with the SEBI Regulations.





<b>Term</b>	<b>Description</b>
Bid/ Issue Period cum Application form	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Building Process	Book building process, as provided in Schedule XI of the SEBI (ICDR) Regulations, in terms of which the Issue is being made
Book Running Lead Manager or BRLM	The book running lead manager to the Issue namely Hem Securities Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum 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 NSE India Limited.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (exc Anchor Investor) and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>





<b>Term</b>	<b>Description</b>
Designated Locations	<p>CDP Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants.</p> <p>The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)</p>
Designated Date	The date on which the Collection Banks transfer funds from the public issue Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue may give delivery instructions for the transfer of the respective Issued Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Issue
Designated Locations	RTA Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time
Designated Exchange	Stock The designated stock exchange as disclosed in the Draft Red Herring Prospectus/ Prospectus of the issuer
Designated Locations	CDP Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange (www.nseindia.com) and updated from time to time
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI (ICDR) Regulations, 2009.
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated May 21, 2018 issued in accordance with the SEBI (ICDR) Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Employees	Employees of an Issuer as defined under SEBI (ICDR) Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the DRHP
Equity Shares	Equity Shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering



<b>Term</b>	<b>Description</b>
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Funds Portion	5 % of the QIB Category available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the DRHP/RHP/Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the DRHP/RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the DRHP/RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 03, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Issue	The initial public offer of up to 38,00,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs.[●] Lakhs
Other Investors	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus
PAN	Permanent Account Number allotted under the Income Tax Act, 1961



Term	Description
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with section 26 of the Companies Act, 2013, and the SEBI (ICDR) Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information
Public Issue Account	Account opened with the Banker to the Issue i.e. [●] under section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.
RTGS	Real Time Gross Settlement
Red Herring Prospectus or RHP	<p>The Red Herring Prospectus to be issued in accordance with section 32 of the Companies Act, 2013, and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto.</p> <p>The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date</p>
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●]
Refund through electronic transfer of	Refunds through NACH, direct credit, RTGS or NEFT, as applicable
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
Registered Broker	Individuals or companies registered with SEBI as "Trading Members"(except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/membership/dynaContent/find_a_broker.htm">http://www.nseindia.com/membership/dynaContent/find_a_broker.htm</a>
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited
Reserved /Categories	Categories of persons eligible for making Bids under reservation portion.
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
Reservation Portion	The portion of the issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009



<b>Term</b>	<b>Description</b>
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> or at such other website as may be prescribed by SEBI from time to time
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
Syndicate Agreement	Agreement dated [●] entered into amongst the BRLM, the Syndicate Members and our Company in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Underwriter	[●]
Underwriting Agreement	The agreement dated [●] entered into between the Underwriter and our Company
Working Day	Till Bid / Issue closing date: All days other than a Saturday Sunday or a public holiday Post Bid / Issue closing date and till the Listing of Equity Shares: All trading days, of stock exchanges excluding Sundays and public holidays, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 India



## 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 Foreign Exchange Management Act, 1999 ("**FEMA**"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("**RBI**") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**") and the concerned Ministry/ Department as laid out in the FDI Policy 2017.

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 ("**FDI Policy 2017**"), with effect from August 28, 2017, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present, FDI is permitted upto 100 % in Greenfield projects and 74% in Brownfield projects under the automatic route and FDI beyond 74% in Brownfield projects requires approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include :

- (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations;
- (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and
- (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.



## **INVESTMENT CONDITIONS/RESTRICTIONS FOR OVERSEAS ENTITIES**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FII, FPI, NRI, FVCI, LLPs, DRs and Investment Vehicles under Schedule 1, 2, 2A, 3, 6, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49 % or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

(i) **Investment by FIIs under Portfolio Investment Scheme (PIS):**

With regards to purchase/sale of share/s convertible debentures by a registered FII under PIS the total holding by each FII/SEBI approved sub-account of FII shall not exceed 10 % of the total paid-up equity capital or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs/sub-accounts of FIIs put together shall not exceed 24 % of paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body. For arriving at the ceiling on holdings of FIIs, shares/ convertible debentures acquired both through primary as well as secondary market will be included. However, the ceiling will not include investment made by FII through off-shore Funds, Global Depository receipts and Euro- Convertible Bonds. With regard to convertible debentures, these investments permitted to be made shall not exceed 5 % of the total paid-up equity capital or 5% of the paid-up value of each series of convertible debentures issued by an Indian Company, and shall also not exceed the over-all ceiling limit of 24 % of paid-up equity capital or paid up value of each series of convertible debentures.

(ii) **Investment by Registered Foreign Portfolio Investor (RFPI) under Foreign Portfolio Investment (FPI) Scheme**

With respect to purchase/sale of shares or convertible debentures or warrants, a RFPI registered in accordance with SEBI (FPI) Regulations, 2014 as amended in regular intervals may purchase shares or convertible debentures or warrants of an Indian company under FPI scheme. The total holding by each RFPI shall be below 10 % of the total paid-up equity capital or 10 % of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all RFPI put together shall not exceed 24 % of paid-up equity capital or paid up value of each series of convertible debentures. The said limit of 24 % will be called aggregate limit. However, the aggregate limit of 24 % may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its General Body. For arriving at the ceiling on holdings of RFPI, shares or convertible debentures or warrants acquired both through primary as well as secondary market will be included. However, the ceiling will exclude investment made by RFPI through off-shore Funds, Global Depository Receipts and Euro-Convertible Bonds but include holding of RFPI and deemed RFPI in the investee company for computation of 24 % or enhanced limit.





(iii) **Investment by NRI on repatriation and non-repatriation basis under PIS:**

With respect to purchase/sale of shares and/or convertible debentures by a NRI on a stock exchange in India on repatriation and/or non-repatriation basis under PIS is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2000.

The aggregate paid-up value of each series of debentures purchased by all NRIs does not exceed 10 % of the paid-up value of each series of convertible debentures; However, the aggregate ceiling of 10 % may be raised to 24 % if a special resolution to that effect is passed by the General Body of the Indian company concerned.

(iv) **Investment by NRI on Non-repatriation basis**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase and sale of shares and convertible debentures or warrants by a NRI on Non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Red Herring Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bid-cum-Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, and the Lead Manager(s) are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Bid- cum-Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.





**SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

<b>ARTICLE NO.</b>	<b>INTERPRETATION</b>	<b>HEADING</b>
1.	In these Articles unless there be something in the subject matter or context inconsistent therewith:	
	i. <b>“The Act”</b> means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>The Act</b>
	ii. <b>“Articles”</b> means Articles of Association of the Company as originally framed or altered from time to time	<b>Articles</b>
	iii. <b>“Beneficial Owner”</b> shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.	<b>Beneficial Owner</b>
	iv. <b>“Board” or “Board of Director”</b> means the Collective body of the Board of Directors of the Company.	<b>Board or Board of Director</b>
	v. <b>“Chairman”</b> means the Chairman of the Board of the Directors of the Company.	<b>Chairman</b>
	vi. <b>“The Company”</b> means Parin Furniture Limited	<b>The Company</b>
	vii. <b>“Depositories Act, 1996”</b> shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.	<b>Depositories Act, 1996</b>
	viii. <b>“Depository”</b> shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.	<b>Depository</b>
	ix. <b>“Directors”</b> mean the Directors for the time being of the Company.	<b>Directors</b>
	x. <b>“Dividend”</b> includes any interim dividend.	<b>Dividend</b>
	xi. <b>“Document”</b> means a document as defined in Section 2 (36) of the Companies Act, 2013	<b>Document</b>
	xii. <b>“Equity Share Capital”</b> , with reference to any Company limited by shares, means all share capital which is not preference share capital.	<b>Equity Share Capital</b>
	xiii. <b>“KMP”</b> means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.	<b>KMP</b>
	xiv. <b>“Managing Director”</b> means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.	<b>Managing Director</b>
	xv. <b>“Month”</b> means Calendar month.	<b>Month</b>
	xvi. <b>“Office”</b> means the registered office for the time being of the Company.	<b>Office</b>
	xvii. <b>“Paid-up share capital”</b> or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called.	<b>Paid-up share capital</b>

	xviii. <b>“Postal Ballot”</b> means voting by post or through any electronic mode.	<b>Postal Ballot</b>
	xix. <b>“Proxy”</b> includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.	<b>Proxy</b>
	xx. <b>“Public Holiday”</b> means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.	<b>Public Holiday</b>
	xxi. <b>“Registrar”</b> means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.	<b>Registrar</b>
	xxii. <b>“Rules”</b> means the applicable rules as prescribed under the relevant sections of the Act for time being in force.	<b>Rules</b>
	xxiii. <b>“SEBI”</b> means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.	<b>SEBI</b>
	xxiv. <b>“Securities”</b> means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)	<b>Securities</b>
	xxv. <b>“Share”</b> means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.	<b>Share</b>
	xxvi. <b>“Seal”</b> means the common seal of the Company.	<b>Seal</b>
	xxvii. <b>“Preference Share Capital”</b> , with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to— <p>(a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and</p> <p>(b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;</p>	<b>Preference Share Capital</b>
	Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa. 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.  ‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.	
2.	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be	<b>Share Capital</b>

	determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.	
3.	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.	
4.	Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.	<b>Issue of Sweat Equity Shares</b>
5.	The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.	<b>Issue of Debentures</b>
6.	<p>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 fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—</p> <p>a. one certificate for all his shares without payment of any charges; or</p> <p>b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.</p> <p>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;</p> <p>iii. Every certificate shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>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.</p>	<b>Issue of Share Certificates</b>



7.	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.	
8.	Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	
9.	The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.	
10.	<p>i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>i. 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.</p> <p>i. 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.</p>	<b>Power to pay Commission In connection with the Securities issued</b>
11.	<p>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.</p> <p>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.</p>	<b>Variations of Shareholder's rights</b>
12	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 pari passu therewith.	
13.	Subject to the provisions of section 55 and 62, any preference shares may with the sanction of 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.	<b>Issue of Preference Shares</b>
14.	(1) 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:	<b>Further Issue of shares</b>

	<p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(2) 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.</p> <p>(3) 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.</p>	
15.	<p>i. The Company shall have a first and paramount lien—</p> <ol style="list-style-type: none"> <li>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</li> <li>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;</li> <li>c. 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 a fixed time in respect of such shares</li> </ol> <p>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.</p> <p>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.</p>	<b>Lien</b>
16.	<p>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—</p> <ol style="list-style-type: none"> <li>a. unless a sum in respect of which the lien exists is presently payable; or</li> </ol>	



	<p>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.</p>	
17.	<p>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>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.</p>	
18.	<p>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.</p> <p>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.</p>	
19.	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-</p> <p>a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</p> <p>b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</p> <p>c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.</p> <p>d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.</p> <p>e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.</p> <p>f)</p> <p>(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose</p>	<p><b>Joint Holdings</b></p>



	<p>name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.</p> <p>g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</p>	
20.	<p>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:</p> <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>Provided further that option or right to calls on shares shall not be given to any person except with the sanction of the shareholders in the general meeting.</p> <p>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.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p>	<b>Calls on shares</b>
21.	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.	
22.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	
23.	<p>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>	
24.	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	





	<p>becomes payable.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture</p> <p>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>	
25	<p>The Board—</p> <p>i. 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</p> <p>ii. 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.</p>	
26.	<p>Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.</p> <p>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.</p>	
27.	<p>The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.</p>	
28.	<p>The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.</p>	
29.	<p>i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.</p> <p>ii. Each share in the Company shall be distinguished by its appropriate number.</p> <p>iii. A Certificate of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.</p>	<p><b>Transfer of shares</b></p>
30.	<p>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</p> <p>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.</p>	
31.	<p>The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <p>i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>ii. any transfer of shares on which the Company has a lien.</p> <p>iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor</p>	

	<p>being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.</p> <p>iv. a common form of transfer shall be used in case of transfer of shares.</p>	
32.	<p>The Board shall decline to recognise any instrument of transfer unless—</p> <p>i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</p> <p>ii. 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 the instrument of transfer is in respect of only one class of shares.</p> <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <p>iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),</p> <p>iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter , then the securities will be transferred;</p> <p>v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.</p>	
33.	<p>The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay</p>	
34.	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>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</p>	
35.	<p>The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.</p>	
36.	<p>The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.</p>	<b>Register of Transfers</b>
37.	<p>i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.</p>	<b>Dematerialisation of Securities</b>

	<p>a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</p> <p>b. Option for Investors:</p> <p>Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>c. Securities in Depository to be in fungible form:-</p> <ul style="list-style-type: none"> <li>• All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.</li> <li>• Nothing contained in Sections 88, 89, 112 &amp; 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.</li> </ul> <p>d. Rights of Depositories &amp; Beneficial Owners:- Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</p> <p>ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p>	
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	<p>iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p> <p>vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.</p>	
38.	<p>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.</p> <p>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.</p>	<b>Transmission of Shares</b>
39.	<p>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—</p> <p style="margin-left: 40px;">a. to be registered himself as holder of the share; or</p> <p style="margin-left: 40px;">b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>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.</p>	
40.	<p>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.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall</p>	



	<p>testify his election by executing a transfer of the share.</p> <p>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.</p>	
41.	<p>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:</p> <p>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.</p>	
42.	<p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.</p>	
43.	<p>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.</p>	
44.	<p>The notice aforesaid shall—</p> <ol style="list-style-type: none"> <li>i. 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</li> <li>ii. 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.</li> </ol>	
45.	<p>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.</p>	<p><b>Forfeiture of Shares</b></p>
46.	<ol style="list-style-type: none"> <li>i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</li> <li>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</li> </ol>	
47.	<ol style="list-style-type: none"> <li>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.</li> <li>ii. The liability of such person shall cease if and when the Company</li> </ol>	

	shall have received payment in full of all such monies in respect of the shares.	
48.	<p>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;</p> <p>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;</p> <p>iii. The transferee shall thereupon be registered as the holder of the share; and</p> <p>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.</p>	
49.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	
50.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	
51.	Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	
52.	The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	
53.	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.	
54.	The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	
55.	Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the	<b>Initial payment not to preclude forfeiture</b>



	Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.	
56.	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.	<b>Alteration of capital</b>
57.	<p>Subject to the provisions of section 61, the Company may, by ordinary resolution,—</p> <ul style="list-style-type: none"> <li>i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> <li>iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>iv. 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.</li> </ul>	
58.	<p>Where shares are converted into stock,—</p> <ul style="list-style-type: none"> <li>i. 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:</li> </ul> <p>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.</p> <ul style="list-style-type: none"> <li>ii. 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.</li> <li>iii. Such of the articles 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.</li> </ul>	<b>Conversion of Shares into Stock</b>
59.	<p>The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—</p> <ul style="list-style-type: none"> <li>i. its share capital;</li> <li>ii. any capital redemption reserve account; or</li> <li>iii. Any share premium account.</li> </ul>	<b>Reduction of Capital</b>



<p>60.</p>	<p>The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.</p> <p>The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.</p> <p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.</p>	<p><b>Share Warrants</b></p>
<p>61.</p>	<p>i. The Company in general meeting may, upon the recommendation of the Board, resolve—</p> <ol style="list-style-type: none"> <li>a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</li> <li>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.</li> </ol> <p>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—</p> <ol style="list-style-type: none"> <li>a. paying up any amounts for the time being unpaid on any</li> </ol>	<p><b>Capitalisation of profits</b></p>

	<p>shares held by such members respectively;</p> <p>b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;</p> <p>c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</p> <p>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;</p> <p>e. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</p> <p>iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.</p>	
62.	<p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</p> <p>b) generally to do all acts and things required to give effect thereto.</p> <p>ii. The Board shall have power—</p> <p>a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and</p> <p>b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p>	
63.	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.	<b>Buy-back of shares</b>
64.	All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.	<b>General Meeting</b>

65.	<p>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p> <p>iii. 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.</p>	
66.	<p>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.</p> <p>ii.</p> <p>i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</p> <p>ii. In any other case, the quorum shall be decided as under:</p> <p>a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</p> <p>b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p>	
67.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.	
68.	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.	<b>Proceedings at general meetings</b>
69.	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.	
70.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	
71.	A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	
72.	i. Before or on the declaration of the result of the voting on any	

	<p>resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.</p> <p>ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</p>	
73.	<p>i. A poll demanded on a question of adjournment shall be taken forthwith.</p> <p>ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.</p>	<b>Time of taking poll</b>
74.	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<b>Adjournment of meeting</b>
75.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <p>i. on a show of hands, every member present in person shall have one vote; and</p> <p>ii. 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.</p>	
76.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	
77.	<p>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.</p> <p>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	<b>Voting rights</b>
78.	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.	
79.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares	

	unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	
80.	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.	
81.	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.	
82.	<ul style="list-style-type: none"> <li>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.</li> <li>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</li> </ul>	
83	No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.	
84.	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.	<b>Casting Vote</b>
85.	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.	<b>Representation of Body Corporate</b>
86.	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.	<b>Circulation of member's resolution</b>
87.	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.	<b>Resolution requiring special notice</b>
88.	The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.	<b>Resolutions passed at adjourned meeting</b>
89.	The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.	<b>Registration of resolutions and agreements</b>
90.	<ul style="list-style-type: none"> <li>i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting</li> </ul>	<b>Minutes of proceedings of general meeting and</b>

	<p>concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.</p> <p>ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :</p> <p>A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</p> <p>C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <p>a. the names of the Directors present at the meetings, and</p> <p>b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</p> <p>iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:</p> <p>is or could reasonably be regarded, as defamatory of any person</p> <p>is irrelevant or immaterial to the proceedings; or</p> <p>is detrimental to the interests of the Company.</p> <p>iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</p>	<p><b>of Board and other meetings</b></p>
91.	The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.	<p><b>Minutes to be considered to be evidence</b></p>
92.	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.	<p><b>Publication of reports of proceeding of general meetings</b></p>
93.	The instrument appointing a proxy and the power-of-attorney or other	<p><b>Proxy</b></p>

	<p>authority, if any, under which it is signed or a notarised 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.</p>	
94.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	
95.	<p>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:</p> <p>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.</p>	
96.	<p>Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.</p> <p>The Present directors of the Company are:</p> <ol style="list-style-type: none"> <li>1. Umeshkumar Dhirajlal Nandani</li> <li>2. Deven Dipeshbhai Nandani</li> <li>3. Parin Umeshbhai Nandani</li> </ol>	<b>Board of Directors</b>
97.	The Directors need not hold any "Qualification Share(s)".	
98.	<p>Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:</p> <p>He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p> <p>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.</p>	
99.	i. The remuneration of the directors shall, in so far as it consists of a	





	<p>monthly payment, be deemed to accrue from day-to-day.</p> <p>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—</p> <p>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</p> <p>b. in connection with the business of the company.</p>	
100.	The Board may pay all expenses incurred in getting up and registering the company.	
101.	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.	
102.	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.	
103.	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.	
104.	<p>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.</p> <p>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.</p>	
105.	Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.	<b>Retirement and Rotation of Directors</b>
106.	The remaining Directors shall be appointed in accordance with the provisions of the Act	
107.	At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.	
108.	Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.	
109.	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.	
110.	Subject to the provision of the Act and these Articles, the Company, at the	

	Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.	
111.	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as “the Corporation”) continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors wholetime or non-wholetime (which Director or Directors is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.	<b>Nominee Director</b>
112.	The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.	
113.	The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.	
114.	The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.	
	Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall	



	accordingly be paid by the Company directly to the Corporation.	
115.	Provided also that in the event of the Nominee Directors being appointed as Wholetime Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.	
116.	The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.	<b>Removal of Directors</b>
117.	Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.	
118.	On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.	
119.	<p>Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,</p> <p>(a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and</p> <p>(b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent ( whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:</p> <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p>	
120.	A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.	
121.	A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.	
122.	<p>If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:</p> <p>Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors</p>	
123.	<p>Nothing in this section shall be taken-</p> <p>a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the</p>	

	<p>termination of his appointment as director as per the terms of contact or terms of his appointment as director, or of any other appointment terminating with that as director; or</p> <p>b) as derogating from any power to remove a director under other provisions of this Act.</p>	
124.	<p>Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.</p> <p>In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.</p> <p>a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or</p> <p>b. In connection with the business of the Company.</p>	<p><b>Remuneration and sitting fees to Directors including Managing and whole time Directors</b></p>
125.	<p>Director (other than Managing Director &amp; Whole-Time Directors) shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- ( Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 &amp; 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.</p>	
126.	<p>i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.</p> <p>a. The power to make calls on shareholders in respect of money unpaid on their shares;</p> <p>b. The Power to authorize buy-back of securities under Section 68 of the Act.</p> <p>c. Power to issue securities, including debenture, whether in or outside India</p> <p>d. The power to borrow moneys</p> <p>e. The power to invest the funds of the Company,</p> <p>f. Power to Grant loans or give guarantee or provide security in respect of loans</p> <p>g. Power to approve financial statements and the Board's Report</p> <p>h. Power to diversify the business of the Company</p> <p>i. Power to approve amalgamation, merger or reconstruction</p> <p>j. Power to take over a Company or acquire a controlling or substantial stake in another Company</p> <p>k. Powers to make political contributions;</p>	<p><b>Powers and duties of Directors:</b></p> <p><b>Certain powers to be exercised by the Board only at meeting</b></p>

	<p>l. Powers to appoint or remove key managerial personnel (KMP);</p> <p>m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</p> <p>n. Powers to appoint internal auditors and secretarial auditor;</p> <p>o. Powers to take note of the disclosure of director's interest and shareholding;</p> <p>p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;</p> <p>q. Powers to invite or accept or renew public deposits and related matters;</p> <p>r. Powers to review or change the terms and conditions of public deposit;</p> <p>s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</p> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <p>ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</p> <p>iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.</p> <p>v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.</p>	
127.	<p>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :</p> <p>a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;</p> <p>b) remit, or give time for the repayment of any debt, due by a Director;</p> <p>c) invest, otherwise than in trust securities, the amount of</p>	<p><b>Restriction on powers of Board</b></p>

	<p>compensation received by it as a result of any merger or amalgamation;</p> <p>d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or</p> <p>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which in any financial year, exceed five percent of its average net profits during the three financial years, immediately preceding.</p> <p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <p>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p>	
128.	Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.	
129.	Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to	<b>General powers of the Company vested in Directors</b>





	time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.	
130.	<p>Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:</p> <ul style="list-style-type: none"> <li>i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</li> <li>ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;</li> <li>iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</li> <li>iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</li> <li>v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</li> <li>vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</li> </ul>	<p><b>Specific powers given to Directors</b></p>



	<p>vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</p> <p>viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;</p> <p>ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;</p> <p>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</p> <p>xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;</p> <p>xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</p> <p>xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;</p> <p>xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.</p> <p>xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction</p>	
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	<p>either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;</p> <p>xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;</p> <p>xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p> <p>xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and</p>	
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	<p>discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p>	
131.	<p>a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 &amp; 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p>	<p><b>MANAGING DIRECTORS</b></p> <p><b>Power to appoint Managing or Whole-time Directors</b></p>
132.	<p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	<p><b>Proceedings of the Board</b></p>
133.	<p>The quorum for meetings of Board/Committees shall be as provided in the</p>	



	Act or under the rules.	
134.	<p>a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>	
135.	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.	
136.	The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	
137.	<p>a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>b) 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.</p>	
138.	<p>a) 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.</p> <p>b) 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.</p>	<b>Delegation of Powers of Board to Committee</b>
139.	<p>a) A committee may elect a Chairperson of its meetings.</p> <p>b) 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.</p>	
140.	<p>a) A committee may meet and adjourn as it thinks fit.</p> <p>b) 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.</p>	
141.	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.	
142.	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	
143.	<p>Subject to the provisions of the Act,—</p> <p>a) 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;</p>	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial</b>

	<p>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;</p> <p>b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.</p>	<b>Officer</b>
144.	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, 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.	
145.	No Common Seal is required as per the provisions of Companies Act, 2013.	<b>The Seal</b>
146.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	
147.	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.	
148.	<p>a) 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 equalising 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.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	
149	<p>a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if 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.</p> <p>b) 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.</p> <p>c) 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.</p>	<b>Dividends and Reserve</b>
150.	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.	
151.	a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent	



	<p>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.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	
152.	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.	
153.	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.	
154.	<p>No dividend shall bear interest against the Company.</p> <p>Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;</p>	
155.	<p>Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.</p>	
156.	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	
157.	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	
158.	<p>a) 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.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.</p>	<b>Accounts</b>
159.	<p>Minutes Books of General Meetings</p> <p>a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <p>i. be kept at the registered office of the Company, and</p> <p>ii. be open, during the business hours to the inspection of any member</p>	<b>Inspection of Statutory Documents of the Company</b>

	<p>without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</p> <p>Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.</p> <p>b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof</p>	
160.	<p>Register of charges:</p> <p>a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p> <p>b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—</p> <p>a. by any member or creditor without any payment of fees; or</p> <p>b. by any other person on payment of such fees as may be prescribed,</p> <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>	
161.	<p>a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</p> <p>c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</p> <p>d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</p>	<b>Audit</b>
162.	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <p>a) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company,</p>	<b>Winding up</b>





	<p>whether they shall consist of property of the same kind or not.</p> <p>b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.</p>	
163.	<p>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 Subject to the provisions of Chapter XX of the Act and rules made there under—</p>	<b>Indemnity</b>
164.	<p>(a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.</p> <p>(b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.</p>	<b>Secrecy</b>



## **SECTION IX – 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 entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for registration. Copies of the above mentioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date.

#### **Material Contracts**

1. Agreement dated May 21, 2018 between our Company and Hem Securities Limited as BRLM to the Issue.
2. Agreement dated May 21, 2018 between our Company and the Registrar to the Issue (Karvy Computershare Private Limited)
3. Banker to the Issue Agreement dated [●] among our Company, BRLM, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated [●] between our Company, BRLM and Market Maker.
5. Underwriting Agreement dated [●] between our Company, BRLM and Underwriter.
6. Tripartite Agreement dated [●] among CDSL, our Company and Registrar to the Issue.
7. Tripartite Agreement dated [●] among NSDL, our Company and Registrar to the Issue.

#### **Other Material Contracts in relation to our Company**

1. Our Company has acquired all assets and liabilities of P.P. Furniture Private Limited vide Slump Sale Agreement dated April 01, 2015.
2. Our Company has acquired 19,00,000 Equity Shares of Pearl Furniture Private Limited vide a Share Purchase Agreement dated June 01, 2017.
3. Copy of Managing Director Agreement with Mr. Umesh Dhirajlal Nandani and our Company dated April 19, 2018 for his appointment.
4. Copy of CFO Agreement with Mr. Kamal Manaharlal Shah and our Company dated April 16, 2018 for his appointment.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of our Company as amended.
2. Certificate of Incorporation dated September 12, 2006 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
3. Fresh Certificate of Incorporation dated April 04, 2018 issued by the Assistant Registrar of Companies, Ahmedabad consequent upon Conversion of our Company to Public Limited Company.
4. Copy of the Board Resolution dated April 16, 2018 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated April 19, 2018 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the financial years ended March 31, 2018, 2017, 2016, 2015 & 2014.
7. Peer Review Auditor's Report dated April 30, 2018 on Restated Standalone Financial Statements of our Company for the financial years ended March 31, 2018, 2017, 2016, 2015 & 2014.
8. Peer Review Auditor's Report dated April 30, 2018 on Restated Consolidated Financial Statements of our Company for the financial years ended March 31, 2018.
9. Copy of the Statement of Tax Benefits dated May 14, 2018 from the Statutory Auditor.
10. Consents of the BRLM, Legal Advisor to the Issue, Advisor to the Issue, Registrar to the Issue, Market



Maker, Underwriter, Banker to the Issue, Statutory Auditor of our Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Banker to our Company, as referred to, in their respective capacities.

11. Copy of Certificate from the Peer Review Auditors of our Company, J.B. Shah & Co., Chartered Accountant dated April 30, 2018 regarding the Eligibility of the Issue.
12. Board Resolution dated May 21, 2018 for approval of this Draft Red Herring Prospectus.
13. Due Diligence Certificate from BRLM dated May 21, 2018.
14. Approval from NSE vide letter dated [●] to use the name of NSE in the offer document for listing of Equity Shares on the SME Platform of the NSE.
15. Copy of the Special Resolution dated April 19, 2018 for the detailed terms of appointment of Mr. Umesh Dhirajlal Nandani as Managing Director of the Company.

Any of the contracts or documents mentioned in this Draft Red Herring 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, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



## DECLARATION

We, the person/persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Red Herring Prospectus. No statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTORS OF OUR COMPANY**

*Sd/-*  
\_\_\_\_\_ **Mr. Umesh Dhirajlal Nandani**  
*Chairman & Managing Director*  
*DIN: 00039757*

*Sd/-*  
\_\_\_\_\_ **Mr. Deven Dipesh Nandani**  
*Non Executive Director*  
*DIN: 07576542*

*Sd/-*  
\_\_\_\_\_ **Mr. Parin Umeshbhai Nandani**  
*Non Executive Director*  
*DIN: 02343309*

*Sd/-*  
\_\_\_\_\_ **Mr. Dayalal Harjivanbhai Kesharia**  
*Independent Director*  
*DIN: 08114818*

*Sd/-*  
\_\_\_\_\_ **Dr. Shweta Chirag Kathrani**  
*Independent Director*  
*DIN: 08114974*

### **SIGNED BY THE COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

*Sd/-*  
\_\_\_\_\_ **Ms. Krishna Subhashchandra Lodhiya**  
*Company Secretary and Compliance Officer*

*Sd/-*  
\_\_\_\_\_ **Mr. Kamal Manaharlal Shah**  
*Chief Financial Officer*

**Place:** Rajkot, Gujarat

**Date:** May 21, 2018