



## NUMERO UNO CLOTHING LIMITED

Our Company was incorporated in Delhi on December 14, 2006 under the name "Numero Uno Clothing Limited" as a public limited company under the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana. The Corporate Identification Number of our Company is U18101HR2006PLC037533. For further details in connection with change in name and registered office of our Company, refer to the chapter titled "History and Certain Corporate Matters" on page 152 of this Draft Red Herring Prospectus.

**Registered Office:** 568/1, PMW Complex, Railway Road, District Gurgaon – 122 001, Haryana, India

**Contact Person:** Man Singh, Company Secretary and Chief Legal Officer cum Compliance Officer;

**Telephone:** +91-124-4555 222; **Facsimile:** +91-124-4555 255 | **E-mail:** ipo@nucl.in; **Website:** www.numerounojeanswear.com

### OUR PROMOTERS: NARINDER SINGH DHINGRA AND ROHINI SINGH DHINGRA

**PUBLIC ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF NUMERO UNO CLOTHING LIMITED (OUR "COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO ₹ [●] LACS (THE "ISSUE") COMPRISING OF A FRESH ISSUE OF [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 6,500 LACS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 16,00,000 EQUITY SHARES AND UP TO 68,00,000 EQUITY SHARES BY NARINDER SINGH DHINGRA AND AA DEVELOPMENT CAPITAL INDIA FUND 1, LLC RESPECTIVELY (THE "SELLING SHAREHOLDERS") AGGREGATING UP TO ₹ [●] LACS (THE "OFFER FOR SALE"). THE ISSUE SHALL CONSTITUTE [●] % OF THE FULLY DILUTED POST-ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. OUR COMPANY AND THE SELLING SHAREHOLDERS MAY (IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS) OFFER A DISCOUNT TO RETAIL INDIVIDUAL BIDDERS ("RETAIL DISCOUNT") IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS. THE DETAILS OF RETAIL DISCOUNT (IF ANY) SHALL BE DISCLOSED IN THE RED HERRING PROSPECTUS PRIOR TO FILING IT WITH THE REGISTRAR OF COMPANIES.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE**

In case of any revision in the Price Band, the Bidding Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") together with the BSE, the "Stock Exchanges") by issuing a press release and also by indicating the change on the website of the Book Running Lead Managers ("BRLMs") and on the terminals of the Syndicate Members and the Self Certified Syndicate Banks ("SCSBs").

Pursuant to Rule 19(2) (b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR"), this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through the Book Building Process in compliance with provision of Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations"), wherein 50% of the Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). Our Company and the Selling Shareholders, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds subject to valid bids being received at or above the Anchor Investor Issue Price. Such number of Equity Shares representing 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price, such that subject to availability of Equity Shares. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, subject to applicable law. All QIBs (other than Anchor Investors) and Non-Institutional Investors must compulsorily, and Retail Individual Bidders may optionally, participate in this Issue through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. Specific attention of investors is invited to the chapter titled "Issue Procedure" on page 384 of this Draft Red Herring Prospectus.

### RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of the Issuer, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price (as determined and justified by our Company and the Selling Shareholders, in consultation with the BRLMs), as stated in the chapter titled "Basis for Issue Price" on page 98 of this Draft Red Herring Prospectus should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 16 of this Draft Red Herring Prospectus.

### COMPANY'S AND SELLING SHAREHOLDERS' 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 this Issue, which is material in the context of this 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. Each Selling Shareholders accepts responsibility only for and confirms that the statements in relation to itself and the Equity Shares being sold by it in the Offer for Sale contained in this Draft Red Herring Prospectus are true and correct in all material respects. The Selling Shareholders do not assume any responsibility for any other statements, including, among others, any statements made by or relating to our Company or its business in this Draft Red Herring Prospectus.

### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received in-principle approvals from the BSE and the NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Issue, the [●] shall be the Designated Stock Exchange.

### BOOK RUNNING LEAD MANAGERS

### REGISTRAR TO THE ISSUE

<p><b>Anand Rathi Advisors Limited</b> 10th Floor, Trade Tower D, Kamala City, Senapati Bapat Marg, Lower Panel, Mumbai - 400 013, Maharashtra, India <b>Telephone:</b> +91 22 6626 6666 <b>Facsimile:</b> +91 22 6626 6544 <b>Email ID:</b> nucl.ipo@rathi.com <b>Website:</b> www.rathi.com <b>Investor Grievance ID:</b> grievance.ecm@rathi.com <b>Contact Person:</b> Chintan Hefa / Kunal Safari <b>SEBI Registration Number:</b> INM000010478</p>	<p><b>Motilal Oswal Investment Advisors Private Limited</b> Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi Mumbai - 400 025, Maharashtra, India <b>Telephone:</b> +91 22 3980 4380 <b>Facsimile:</b> +91 22 3980 4315 <b>E-mail:</b> nucl.ipo@motilaloswal.com <b>Website:</b> www.motilaloswal.com <b>Investor Grievance ID:</b> moiapredressal@motilaloswal.com <b>Contact Person:</b> Rupesh Khant <b>SEBI Registration No.:</b> INM000011005</p>	<p><b>Link Intime India Private Limited</b> C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai - 400 078, Maharashtra, India. <b>Telephone:</b> +91 22 2596 3838 <b>Facsimile:</b> +91 22 2594 6969 <b>Email:</b> mumbai@linkintime.co.in <b>Website:</b> www.linkintime.co.in <b>Investor Grievance ID:</b> nucl.ipo@linkintime.co.in <b>Contact Person:</b> Ranjeet Mahadani <b>SEBI Registration Number:</b> INR000004058</p>

### BID/ISSUE PROGRAMME

**BID/ISSUE OPENING DATE: [●]\***

**BID/ISSUE CLOSING DATE\*\*:[●]**

\*Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid / Issue Opening Date.

\*\* Our Company and the Selling Shareholders may, in consultation with the BRLMs, 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

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

#### Company and Business Related Terms

Term	Description
“Articles” or “Articles of Association” or “AoA”	The Articles of Association of our Company, as amended.
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with Clause 49 of the Listing Agreement and the Companies Act, 2013.
“Auditor” or “Statutory Auditor”	The statutory auditors of our Company, being M/s. B S R & Co. LLP, Chartered Accountants.
“Board” or “Board of Directors” or “our Board”	The Board of Directors of our Company, as duly constituted from time to time including any committees thereof.
Director(s)	Unless the context requires otherwise, the director(s) of our Company
Equity Shares	Equity shares of our Company of ₹ 10 each, fully paid up
Group Companies	The companies, firms, ventures, etc. promoted by our Promoters, as described in the chapter titled “ <i>Our Group Entities</i> ” on page 176 of this Draft Red Herring Prospectus, irrespective of whether such entities are covered under section 370 (1B) of the Companies Act, 1956 or not.
“Key Managerial Personnel” or KMP	The personnel listed as key managerial personnel in the chapter titled “ <i>Our Management</i> ” on page 158 of this Draft Red Herring Prospectus.
“Memorandum” or “Memorandum of Association” or “MoA”	The Memorandum of Association of our Company, as amended.
Mid-Premium	Products ranging from ₹1,001 to ₹ 2,000
“Our Company” or “the Company” or “NUCL”	Número Uno Clothing Limited, a public limited company incorporated under the Companies Act, 1956.
Our Brand	Número Uno
Premium Range	Products ranging from ₹ 2,001 to ₹ 4,000
Promoter(s)	Narinder Singh Dhingra and Rohini Singh Dhingra.
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1) (zb) of the SEBI ICDR Regulations.
Registered Office	The registered office of our Company located at 568/1, PMW Complex, Railway Road, District Gurgaon – 122 001, Haryana, India
Registrar of Companies/RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana
Selling Shareholders	Narinder Singh Dhingra and AA Development Capital India Fund 1, LLC, a limited liability company organized in Mauritius, having its registered office at Cim Fund Services Ltd., 33, Edith Cavell Street, Port Louis, Republic of Mauritius
Subsidiary or “NUBL”	Número Uno Brands Limited, a public limited company incorporated under the Companies Act, 1956.
“We” or “us” or “our”, the “Issuer”	Unless the context otherwise indicates or implies, refers to Número Uno Clothing Limited.

## Issue Related Terms

Term	Description
AADC	AA Development Capital India Fund 1, LLC, a limited liability company organized in Mauritius, having its registered office at Cim Fund Services Ltd., 33, Edith Cavell Street, Port Louis, Republic of Mauritius
“Allot” or “Allotment” or “Allotted”	The allotment of Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale.
Allotment Advice	The note or advice or intimation of Allotment of the Equity Shares sent to the Bidders except Anchor Investors who have been or are to be allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom Allotment is made.
“Anand Rathi” or “ARAL”	Anand Rathi Advisors Limited having its office at 10th Floor, Trade Tower D, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra, India
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least ₹ 1,000 lacs.
Anchor Investor Bid/ Issue Period	The day, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investor shall be completed
Anchor Investor Issue Price	The price at which Allotment will be made to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which, may be allocated by our Company and the Selling Shareholders in consultation with the BRLMs, 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 Anchor Investor Issue Price
“ASBA” or “Application Supported by Blocked Amount”	An application, whether physical or electronic, used compulsorily by all QIBs (except Anchor Investors) and Non-Institutional Bidders and optionally by Retail Individual Bidders to make to make a Bid authorizing the SCSB, either directly or through the Syndicate ASBA Members, to block the Bid Amount in their specified bank account maintained with the SCSB.
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/ Applicant.
ASBA Bidder	A Bidder, other than Anchor Investors in this Issue, who Bids through ASBA process.
Bankers to the Issue/Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as banker to an issue with whom the Escrow Account will be opened, in this case being [●].
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” on page 384 of this Draft Red Herring Prospectus.
Bid	An indication to make an offer during the Bidding Period by a Bidder (other than an Anchor Investor), or on the Anchor Investor Bid/Issue Period by an Anchor Investor, to subscribe or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form, including an Anchor Investor unless stated or implied otherwise
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/ blocked in the ASBA Account on submission of a Bid in the Issue, less discount to Retail Individual Bidders, if applicable.
Bid cum Application Form	The form used by a Bidder, including an ASBA Bidder, to make a Bid and which will be considered as an application for Allotment in terms of the Red

<b>Term</b>	<b>Description</b>
	Herring Prospectus and the Prospectus.
Bid Price	The prices indicated against each optional Bid in the Bid cum Application Form.
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, and which shall be notified in one English national daily newspaper with wide circulation and one Hindi national daily newspaper each with wide circulation which shall also serve as the regional language newspaper with wide circulation, with Hindi being the regional language of Haryana where the Registered Office is located, and in case of any revision, the extended Bid Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations. Our Company and the Selling Shareholders in consultation with the BRLMs, may decide to close the Bidding by QIBs one Working Day prior to the Bid/Issue Closing Date, which shall also be notified in an advertisement in the same newspapers in which the Bid/Issue Opening Date was published
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, and which shall be notified in an English national daily newspaper with wide circulation and one Hindi national daily newspaper with wide circulation which shall also serve as the regional language newspaper with wide circulation, with Hindi being the regional language of Haryana where the Registered Office is located
Bidding Centre/ Broker Centre	Broker centres notified by the Stock Exchanges, where 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 websites of the Stock Exchanges.
Bid/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date (inclusive of such date and the Bid Opening Date) during which prospective Bidders, other than Anchor Investors, can submit their Bids, inclusive of any revision thereof. Provided however that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company and the Selling Shareholders, in consultation with the BRLMs, may decide to close Bidding by QIBs one day prior to the Bid Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid Opening Date was published.
Bid Lot	[●] Equity Shares
Book Building Process/Method	The book building route as provided under Schedule XI of the SEBI ICDR Regulations.
Book Running Lead Managers or BRLMs	Book running lead managers to this Issue, being Anand Rathi Advisors Limited and Motilal Oswal Investment Advisors Private Limited.
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, in this case being ₹ [●], and any revisions thereof, above which the Issue Price will not be finalized and above which no Bids will be accepted.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time
Cut-Off Price	Issue Price, as finalised by our Company and the Selling Shareholders in consultation with the BRLMs. 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.
Depository	NSDL and CDSL or any other depository registered with the SEBI under

<b>Term</b>	<b>Description</b>
	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time read with the Depositories Act, 1996.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant or DP Designated Branches	A depository participant registered with the SEBI under the Depositories Act. Such branches of the SCSBs, which shall collect the Bid cum Application Form from ASBA Bidders, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other website as may be prescribed by SEBI from, time to time.
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account, or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the Public Issue Account, as the case may be, after the Prospectus is filed with RoC, following which the Board of Directors shall Allot the Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholders shall give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale.
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated April 29, 2015 filed with SEBI, prepared and issued by our Company in accordance with the SEBI ICDR Regulations.
Eligible NRIs	NRIs from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under the SEBI FPI Regulations
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	An agreement to be entered among our Company, the Selling Shareholders, the Registrar to the Issue, the Escrow Collection Bank(s), Refund Bank(s), the BRLMs and the Syndicate Members for the collection of Bid Amounts and where applicable, for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
First Bidder	Bidder whose name appears first in the Bid cum Application Form in case of a joint bid and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof.
Floor Price	The lower end of the Price Band, and any revisions thereof, below which the Issue Price will not be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
Fresh Issue	The issue of [●] Equity Shares aggregating up to ₹ 6,500 lacs offered by our Company for subscription pursuant to the terms of this Draft Red Herring Prospectus.
General Information Document/GID	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, suitably modified and included in the chapter titled “ <i>Issue Procedure</i> ” on page 384 of this Draft Red Herring Prospectus
Issue	The Fresh Issue and the Offer for Sale are together referred to as the Issue.
Issue Agreement	The agreement entered into on April 29, 2015 entered into between our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Expense	Expenses in connection with the Issue which (other than listing fees), will be

<b>Term</b>	<b>Description</b>
	shared between each of the Selling Shareholders and our Company, in the proportion to the Equity Shares offered for sale by the Selling Shareholders and issued by our Company in the Fresh Issue.
Issue Price	The price, as determined by our Company and the Selling Shareholders in consultation with the BRLMs on the Pricing Date, at which the Equity Shares will be issued and Allotted/transferred in terms of the Red Herring Prospectus Unless otherwise stated or the context otherwise implies, the term Issue Price refers to the Issue Price applicable to investors other than Anchor Investors.
Issue Proceeds	The proceeds of this Issue available to our Company and the Selling Shareholders.
Listing Agreement	The listing agreement(s) to be entered into by our Company with the Stock Exchanges
MOIAPL or Motilal Oswal	Motilal Oswal Investment Advisors Private Limited having its office at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai- 400 025, Maharashtra, India
Mutual Fund Portion	[●] Equity Shares or 5% of the Net QIB Portion (excluding the Anchor Investor Portion), available for allocation to Mutual Funds only.
Net Proceeds	The proceeds of the Fresh Issue less our Company's share of the Issue related expenses.
Net QIB Portion	QIB Portion less the Anchor Investor Portion.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for a cumulative amount more than ₹ 200,000. (but not including NRIs other than Eligible NRIs and QFIs other than Eligible QFIs )
Non-Institutional Portion / Non-Institutional Category	The portion of the Issue being not less than 15% of the Issue consisting of [●] Equity Shares, available for allocation on a proportionate basis to Non-Institutional Bidders subject to valid bids received at or above the Issue Price.
Non Syndicate Broker Centre	All the locations, around 400 as mentioned by SEBI in the circular no. CIR/CFD/14/2012 dated October 04, 2012 and consequently uploaded by Stock Exchanges on their respective websites at www.bseindia.com and www.nseindia.com, where the Bids can be submitted to a Non Syndicate Stock Broker.
Non Syndicate Stock Broker	A stock broker registered as a member of a Stock Exchange who has not entered into a Sub-Syndicate Agreement with the Syndicate Member and is not a part of the Syndicate
Non Syndicate Stock Broker Mechanism	The process of investors applying through Non Syndicate Stock Broker at a Non Syndicate Broker Centre pursuant to SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012.
Offer for Sale	The offer for sale of up to 16,00,000 Equity Shares by Narinder Singh Dhingra and up to 68,00,000 Equity Shares by AADC.
Price Band	Price band between the Floor Price and Cap Price (both included), including any revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and advertised in an English national newspaper with wide circulation, a Hindi national newspaper each with wide circulation which shall also serve as the regional language newspaper with wide circulation, with Hindi being regional language of Haryana where our Registered Office is situated, at least five Working Days prior to the Bid/Issue Opening Date and all such advertisement(s) shall be available on the websites of the Stock Exchanges
Pricing Date	The date on which the Issue Price is finalised by our Company and the Selling Shareholders, in consultation with the BRLMs.
Prospectus	The prospectus of our Company to be filed with the RoC for this Issue after the Pricing Date, with the provisions of Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	The bank account opened with the Bankers to the Issue by our Company and

<b>Term</b>	<b>Description</b>
	the Selling Shareholders under Section 40 of the Companies Act, 2013 to receive money from the Escrow Accounts on the Designated Date, and into which the funds shall be transferred by the SCSBs from the ASBA Accounts.
Qualified Foreign Investors or QFIs or Eligible QFI	Non-resident investors (other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs) who meet 'Know Your Customer' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combatting the financing of terrorism deficiencies to which counter measures apply; and (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies and such other person(s), entities, etc. as may be identified as QFIs by SEBI in its Circulars No. Cir/IMD/FII&C/3/2-2012 dated January 13, 2012, Cir/IMD/FII&C/13/2012 dated June 07, 2012 and Cir/IMD/FII&C/18/2012 dated July 20, 2012 and such other circulars as may be issued by SEBI in this regard from time to time.
QIBs or Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
QIB Portion /QIB Category	The portion of the Issue (including the Anchor Investor Portion) being [●] Equity Shares which shall be available for allocation to QIBs (including the Anchor Investor Portion).
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares shall be offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account(s)	The account(s) opened by our Company, from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), shall be made.
Refunds through electronic transfer of funds	Refunds through NECS, NEFT, direct credit or RTGS, as applicable.
Refund Banks	Escrow Collection Banks with whom Refund Accounts will be opened and from which a refund of the whole or part of the Bid Amount, if any, shall be made, in this case being, [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate
Registrar or Registrar to the Issue	Link Intime India Private Limited
Retail Individual Bidders	Bidders (including HUFs applying through their karta, Eligible NRIs and Resident Retail Individual Bidders) whose Bid Amount for Equity Shares in the Issue is not more than ₹ 200,000 in any of the Bidding options in the Issue.
Retail Portion	The portion of the Issue being not less than 35% of the Issue, consisting of [●] Equity Shares, available for allocation on a proportionate basis to Retail Individual Bidders.
Revision Form	The form used by the Bidders, including ASBA Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s).
SEBI (Alternative Investment Funds) Regulations/SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in



<b>Term</b>	<b>Description</b>
	relation to ASBA a list of which is available on website of SEBI ( <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised</a> Intermediaries) and updated from time to time
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised</a> Intermediaries) and updated from time to time
Stock Exchanges	The BSE and the NSE.
Syndicate Agreement	The agreement dated [●] to be entered into amongst the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Issue in relation to the collection of Bids in the Issue (other than Bids directly submitted to the SCSBs under the ASBA process or to Registered Brokers at the Broker Centres)
Syndicate ASBA Bidders	ASBA Bidders submitting their Bids through the members of the Syndicate or Sub-Syndicate Members at the Syndicate ASBA Centres.
Syndicate ASBA Branches	Branches of SCSBs in the Syndicate ASBA Bidding Centres, which would accept the Bid cum Application Forms from the Syndicate ASBA Members.
Syndicate ASBA Members	Those members of the Syndicate who can procure Bid cum Application Forms (in relation to ASBA).
Syndicate Members	An Intermediary registered with the SEBI to act as a syndicate member and who are permitted to carry out activities as an underwriter, namely [●]
Syndicate / members of the Syndicate	The BRLMs and the Syndicate Members
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company and the Selling Shareholders on or after the Pricing Date.
Working Days	All days, other than a Sunday or a public holiday on which commercial banks are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.  For the purpose of the time period between the Bid Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays, in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010.

#### **Conventional and General Terms/ Abbreviations/ Industry Related Terms**

<b>Abbreviation</b>	<b>Full Form</b>
₹/Rs./ Rupees	Indian Rupees
A/c	Account
AGM	Annual General Meeting.
AIF	Alternative Investment Funds registered pursuant to SEBI (Alternative Investment Funds) Regulations, 2012, as amended from time to time
Air Act	The Air (Prevention and Control of Pollution) Act, 1981, as amended.
AS or Accounting Standards	Accounting Standards as notified under Companies (Accounting Standards) Rules, 2006
AY	Assessment Year
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services (India) Limited
CIBIL	Credit Information Bureau (India) Limited
CIN	Corporate Identity Number
COCO	Company Owned and Company Operated

<b>Abbreviation</b>	<b>Full Form</b>
Companies Act or Act	Companies Act, 1956, as superseded and substituted by notified provisions of the Companies Act, 2013
Competition Act	Competition Act, 2002, as amended
CST	Central Sales Tax Act, 1956, as amended.
DIN	Directors Identification Number.
DP ID	Depository Participant's Identity
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EBOs	Exclusive Brand Outlets
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPCG	Export Promotion Capital Goods
EPS	Earnings per share, which is the profit after tax for a fiscal year divided by the weighted average of outstanding number of equity shares at the end of the fiscal year
ESOP	Employee Stock Option Plan
ETP	Effluent Treatment Plant
EU	Europe
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations framed there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign Institutional Investors, as defined under the FII Regulations and registered with SEBI under applicable laws in India.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
Fiscal or Financial Year or FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any QFI or FII who holds a valid certificate of registration 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 Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign Venture Capital Investor registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
GDP	Gross Domestic Product
GoI or Government of India or Central Government	The Government of India.
HNI	High Net worth Individual
HUF	Hindu Undivided Family.
ICAI	The Institute of Chartered Accountants of India
ICRA	ICRA Management Consulting Services Limited
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards.
Income Tax Act	Income Tax Act, 1961, as amended
Indian GAAP	Generally accepted accounting principles in India.
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority.
IT	Information Technology
IT Act	Income Tax Act, 1961, as amended.
IT Department	Income Tax Department, GoI.
LFS	Large Format Stores
LIBOR	London Interbank Offered Rate
Limited Liability Partnership or LLP	Limited Liability Partnership registered under the Limited Liability Partnership Act, 2008.

<b>Abbreviation</b>	<b>Full Form</b>
Ltd.	Limited.
MBOs	Multi Brand Outlets
MoU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A./NA	Not Applicable.
NAV	Net Asset Value
NCR	National Capital Region
NEFT	National Electronic Funds Transfer.
NIF	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India.
No.	Number.
NOC	No objection certificate
NR	Non Resident
NR or Non Resident	A person resident outside India, as defined under FEMA, including an Eligible NRI and FII.
NRE Account	Non-Resident External Account.
NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non-Resident Ordinary Account.
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PCB	Pollution Control Board.
PLR	Prime Lending Rate.
QA	Quality Assurance
QC	Quality Check
R&D	Research and Development.
RBI	Reserve Bank of India.
Rft	Running feet
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Securities Act	U.S. Securities Act of 1933.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
Sq. ft./ Sft/ sqft	Square foot
Sq. mt.	Square meter.
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

<b>Abbreviation</b>	<b>Full Form</b>
	foreign corporates or foreign individuals.
T&C	Textile and Clothing
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
TAN	Tax Deduction Account Number allotted the Income Tax Act, 1961, as amended.
TDS	Tax Deducted at Source
TUFS	Technology Upgradation Fund Scheme
U.S. GAAP	Generally accepted accounting principles in the United States of America.
U.S. or US or U.S.A or United States	The United States of America, together with its territories and possessions.
UAE	United Arab Emirates
US\$	United States Dollar, the official currency of the United States of America
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.
Water Act	The Water (Prevention and Control of Pollution) Act, 1974, as amended.
WGSN	WGSN Limited
Y-O-Y	Year-over-Year

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

Notwithstanding the foregoing, terms in the sections titled “*Main Provisions of the Articles of Association*”, “*Statement of Tax Benefits*” and “*Financial Statements*” on pages 432, 101 and 180, respectively of this Draft Red Herring Prospectus, shall have the meanings given to such terms in such sections.

## **PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **Certain Conventions**

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India. In this Draft Red Herring Prospectus, unless otherwise stated, our Company has presented numerical information in “Lacs” units. One lac represents 1,00,000.

### **Financial Data**

Unless stated otherwise the financial data in this Draft Red Herring Prospectus is derived from our restated consolidated financial information of our Company as at and for the Fiscal 2011, 2012, 2013, 2014 and 2015 prepared in accordance with the SEBI ICDR Regulations, which are included in this Draft Red Herring Prospectus, and as set out in the section titled “*Financial Information*” on page 180 of this Draft Red Herring Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, all references to a particular Financial Year are to the 12-month period ended on March 31 of that year.

There are significant differences between the 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 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 practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS and we and the Selling Shareholders urge you to consult your own advisors regarding such differences and their impact on our financial data.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

### **Currency and Unit of presentation**

All references to “Rupees” or “₹” are to Indian Rupees, the currency of the Republic of India. All references to “US\$” or “U.S. Dollars” are to United States Dollars, the currency of the United States of America.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “lac” units. One lac represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lac or in whole numbers where the numbers have been too small to present in lac.

### **Market and Industry Data**

The chapter titled “*Industry Overview*” quotes and otherwise includes information from a commissioned report, or the ICRA Report, prepared by ICRA Management Consulting Services Limited for purposes of this Draft Red Herring Prospectus. We have not commissioned any report for purposes of this Draft Red Herring Prospectus other than the ICRA Report. We commissioned ICRA’s research division to provide an independent assessment of the opportunities, dynamics and competitive landscape of the markets in India for the business we are engaged in. Except for the ICRA Report, market and industry related data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available documents and other industry sources. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “*Risk Factors*” on page 16 of this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. In addition, certain data in relation to our Company used in this Draft Red Herring Prospectus has been obtained or derived from reports published, or studies conducted, by ICRA Management Consulting Services Limited and differs in certain respects from our restated consolidated financial information as a result of, inter alia, the methodologies used in compiling such data. Accordingly, no investment decision should be made based on such information.

In accordance with the SEBI ICDR Regulations, the chapter titled "*Basis for Issue Price*" on page 98 of this Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, our Company may be required to undertake an annual updation of the disclosures made in this Draft Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward looking statements”. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause our actual results to differ materially from those contemplated by the relevant forward looking statement. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- Our ability to anticipate and manage changes or shortages in the supply of skilled or unskilled labour or technology and continue to operate our business;
- Changes in buying habits and consumption pattern;
- Changes in factors affecting discretionary consumer spending, changing footfall patterns
- Our ability to maintain our market position;
- Competition from existing or new entrants in the Indian apparel industry;
- Growth of unorganized sector and threat from national/regional players;
- Significant change in the Government’s economic liberalization and deregulation policies;
- Fluctuation of price of fabrics and our reliance on third party suppliers for our raw materials and for manufacture a significant part of our products;
- Our inability to implement our expansion plans in a timely and efficient manner due to factors beyond our control;
- Our inability to find locations to open and operate our stores on commercially viable terms;and
- Our ability to successfully implement our strategy.

For a further discussion of factors that could cause our actual results to differ, refer to the chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on pages 16, 128 and 304 respectively of this Draft Red Herring Prospectus. 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.

Forward looking statements reflects the current views of our Company only as of the date of the Draft Red Herring Prospectus and are not a guarantee of future performance. Our Company shall update the Red Herring Prospectus on annual basis from the date of filing of the Red Herring Prospectus with the RoC. Except for such annual update, none of our Company, the Selling Shareholders, (in respect of its own information and information relating to the respective Equity Shares being Offered for Sale by the Selling Shareholders included in this Draft Red Herring Prospectus), our Directors, our officers, any Underwriter, or any of their respective affiliates or associates has any obligation to update or otherwise revise any statement reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company, the Selling Shareholders (in respect of its own information and information relating to the respective Equity Shares being Offered for Sale by the Selling Shareholders included in this Draft Red Herring Prospectus) and the BRLMs will ensure that investors in India are informed of material developments until the commencement of listing and trading of the Equity Shares pursuant to the Issue.

## SECTION II: RISK FACTORS

### RISK FACTORS

*An investment in our Equity Shares involves a high degree of risk and you should carefully consider all the information in the Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. If any, or some combination, of the following risks actually occurs, our business, prospects, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of or deem immaterial, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the Issue, including the merits and risks involved. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. Investors should not invest in this Issue unless they are prepared to accept the risk of losing all or part of their investment, and they should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*To obtain a better understanding of our business, you should read this section in conjunction with other chapters of the Draft Red Herring Prospectus, including the chapters titled “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information” on pages 128, 304 and 180 respectively of this Draft Red Herring Prospectus, together with all other financial information contained in the Draft Red Herring Prospectus. 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.*

*Unless otherwise stated, the financial data in this chapter is derived from our restated consolidated financial information prepared in accordance with Indian GAAP included in chapter titled “Financial Information” on page 184 of this Draft Red Herring Prospectus.*

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

- (i) Some risks may not be material individually but may be material when considered collectively.*
- (ii) Some risks may have an impact which is qualitative though not quantitative.*
- (iii) Some risks may not be material at present but may have a material impact in the future.*

#### **Internal Risk Factors**

- 1. If we are unable to maintain and enhance our ‘Numero Uno’ brand, the sales of our products may suffer which would have a material adverse effect on our business operations.***

Over the years, our brand Numero Uno has significantly contributed to the success of our business and maintaining and enhancing the brand ‘Numero Uno’ may require us to make substantial investments in areas such as research and development, outlet operations, marketing and employee training, and these investments may not be successful. In particular, as we expand into new geographical regions, consumers in these markets may initially resist accepting our brand. Given the kind of competition, we anticipate that maintaining and enhancing our brand may become increasingly difficult and expensive. Our success will depend largely on our ability to maintain, anticipate, gauge and respond in a timely manner to changing fashion trends and consumer demands and preferences, and to continue to provide high quality products and services. This will attract our prospective consumers and develop faith for our brand. Further, our business is also dependent on the trust that our customers have in our brand and products. If our Company is unable to maintain the quality of its products, it could lead to a negative publicity of our brand name and image in the market. Such negative publicity of our brand name could adversely affect our profitability and business operations.



**2. *If our Company is unable to continue being creative in our designs or if we are unable to keep up to the changing fashion trends, our sales could be affected.***

Our results of operations depend upon the continued demand by consumers for our products. We operate in an industry that is highly competitive and where customers' purchases are highly subjective and sensitive to trends and fashion tastes. Creativity and being abreast with the latest fashion trends is one of the key attributes for success in this industry. For our Company to remain competitive in respect of appealing designs, our designers have to keep themselves abreast with the latest global trends, and fashion demands and more importantly understand the requirements of the customers. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to modify our products on a timely basis, we may lose customers to our competitors, or may be forced to reduce our sales realization on products by having to offer them at a discount, thereby reducing our margins. For instance, our typical design for a season begins well in advance of the season and we may not be able to incorporate trends that may be current to that season in the collection being released. A part of our production is for those products where we may not have an order in hand and the quantities are produced based on feedback received from merchandisers and management estimates. If we are not able to anticipate the demand, or misjudge the quantity, inter alia, this could lead to lower sales, higher inventories and higher discounts, each of which could have a material adverse effect on our brand, reputation, results of operations and financial condition.

**3. *Our growth strategy to expand into new geographic areas exposes us to certain risks which may be beyond our control and these factors may have a material adverse effect on our operations and financial condition.***

Pursuant to our growth strategy and to further deepen our presence pan India, we intend to open new COCO stores, besides expanding our other distribution channels. Fast developing smaller towns are currently under served and give a scope for our brands. The success of any EBO depends substantially on its location and our ability to provide a distinctive in-store experience. Sales at such COCO stores are derived, in part, from the volume of foot traffic in these locations. Outlet locations may become unsuitable due to, and our sales volume and customer traffic generally may be harmed by, among other things: economic slowdown in a particular area or city/region; competition from nearby retailers selling similar apparels; changing consumer demographics in a particular market; changing lifestyle choices of consumers in a particular market; and the closing or decline in popularity of other businesses location near our outlet.

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

Further, our growth strategy creates the risk of sales cannibalisation, as the new points of sale could be in the vicinity of existing ones. There can be no assurance that such sales cannibalisation will not inadvertently occur or become more significant in the future as we gradually increase our presence in newer markets over time to maximise our competitive position and financial performance in each market.

**4. *We depend on certain distributors for marketing our products. Conflict with or the loss of any of these distributors could affect our business, results of operations and financial condition.***

Our Company depends on certain distributors for marketing and distribution of our products. As we continue to expand our business, we will be required to engage with several entities that, we rely on for distribution for apparels. We sell our products to the distributors at a price which are fixed as per the terms and conditions of the respective distribution agreements. We have in the past experienced delays in receipt of dues from few of our distributors. Consequently, our Company had to terminate their distribution agreements that had an impact on our distribution network. Please refer the chapter titled "*Outstanding Litigations and Material Developments*" and "*Financial Statements*" on page 334 and 180 respectively, of this Draft Red Herring Prospectus for further details of litigations against our distributors. There can be no assurance that we will not face such commercial

conflicts and issues pertaining to delay payment or non-payment of dues with our other distributors in the future also. The loss of one or more of such distributors could have a material effect on our operations and our financial results.

**5. Our Company, one of our Group Companies and one of our Directors are involved in certain legal proceedings. An adverse outcome in such proceedings may have a material adverse effect on our business, results of operations and financial condition.**

Our Company, Group Companies and one of our Directors are currently involved in a number of legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts tribunals and fora.

Mentioned below are the details of the total number of proceedings pending against our Company, our Group entities, our Promoter and our Directors as on the date of this Draft Red Herring Prospectus along with the amount involved, to the extent quantifiable, have been set out below:

<i>(₹ in lacs, approximately)</i>		
<b>Type of Proceedings</b>	<b>Number of cases</b>	<b>Amount to the extent quantifiable</b>
<b>Cases filed against our Company</b>		
Civil cases	7	157.71
Criminal cases	1	0.28
<b>Total</b>	<b>8</b>	<b>157.99</b>
<b>Cases filed by our Company</b>		
Civil cases	8	620.70
Tax Proceedings	1	Not quantifiable
<b>Total</b>	<b>9</b>	<b>620.70</b>
<b>Cases filed against our Directors</b>		
Civil cases	1	Not quantifiable
Criminal cases	1	Not quantifiable
<b>Total</b>	<b>2</b>	<b>Not quantifiable</b>
<b>Cases filed by our Directors</b>		
Criminal cases	1	Not quantifiable
<b>Total</b>	<b>1</b>	<b>Not quantifiable</b>
<b>Cases filed against our Group Entities</b>		
Tax Proceedings	1	176.00
<b>Total</b>	<b>1</b>	<b>176.00</b>
<b>Cases filed by our Group Entities</b>		
Civil cases	3	7.50
Tax Proceedings	3	80.27
<b>Total</b>	<b>6</b>	<b>87.77</b>
<b>Potential litigation</b>		
Against our Company, our Directors and Promoter	2	40.00
<b>Total</b>	<b>2</b>	<b>40.00</b>

There can be no assurance that these legal proceedings will be decided in our favour or in favour of our Directors and Group Companies and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, our Directors, our Promoters or Group Companies, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

For further details on cases filed by and against our Promoters, Company and Group Companies, please refer to the chapter titled “*Outstanding Litigation and Material Developments*” on page 334 of this Draft Red Herring Prospectus.

**6. Our continued operations are critical to our business and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.**

We currently have two manufacturing facilities located at Selaqui and Gurgaon. We are in the process of shifting our Gurgaon facility to Selaqui, subsequent to which our entire manufacturing capacity will be located at one place. As a result, any local social unrest, natural disaster or breakdown of services and utilities in that area could have material adverse effect on the business, financial position and results of our operations. Our manufacturing facilities are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In the event that we are forced to shut down our manufacturing facility for a significant period of time, it would have a material adverse effect on our earnings, our other results of operations and our financial condition as a whole. Further, continuous addition of industries in and around our manufacturing facility without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may affect our business. Further, spiralling cost of living around our manufacturing facility may push our manpower costs in the upward direction, which may reduce our margin and cost competitiveness.

**7. Any delays and/or defaults in customer payments from our distributors and franchisees could result in increase of working capital investment and/or reduction of our Company's profits, thereby affecting our operation and financial condition**

We are exposed to payment delays and/or defaults by our customers and our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business network model, we supply our products to our distributors and franchisees without taking any advance payment or security deposit against the orders placed by them. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments on an order on which our Company has devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition. For the Fiscal ending March 31, 2015, 2014 and 2013 our trade receivables were ₹ 7,259.97 lacs, ₹ 6,015.41 lacs and ₹ 5,721.18 lacs, respectively, out of which, debts amounting to ₹ 974.98 lacs, ₹ 645.20 lacs and ₹ 251.89 lacs were outstanding for a period exceeding six months from the due date, out of which our management believes that ₹ 155.78 lacs, ₹ 142.32 lacs, and ₹ 100.86 lacs are doubtful trade receivables.

There is no guarantee on the timeliness of all or any part of our customers' payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

**8. Our Company faces seasonality in its business, due to concentration of business in northern India and uneven billing cycle. As a result, our revenues are skewed towards the second half of each financial year.**

Our Company typically operates its production activities in accordance with 'Make to Order' policy and runs its production for two seasons viz, Autumn – Winter and Spring – Summer. Further, for our Autumn - Winter season which is from October to February, our stores start building up their inventory for which we start dispatching the products in the months of September and October. Similarly, for the Spring – Summer season which is from March to September, the majority of the dispatch of our products are done in the months of February and March. Majority of our revenues being booked on dispatch leads to an uneven billing cycle, due to which our revenues are not evenly distributed in all four quarters of every financial year. As a result our revenue and profits may vary significantly during different financial periods and certain periods may not be indicative of our financial position for a full financial year and may be significantly below the expectations of the market, analysts and investors.

Further, since majority of our revenues are generated during the second half of each financial year, any lower revenues generated during such period may result in a material adverse effect on the business operations of our

**9. Our Company does not have long term agreement with suppliers for supply of raw material. Our inability to obtain raw material in a timely manner, in sufficient quantities and/or at competitive prices could adversely affect our operations, financial condition and/or profitability.**

Our business is dependent on suppliers for the supply of raw materials required for manufacturing its products. For Fiscals 2015, 2014 and 2013, our cost of material consumed amounted to 26.41%, 30.84% and 25.91% of our total expenses respectively. Typically, we do not enter into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. Fluctuations in the price, availability and quality of the fabrics or other raw materials used in our manufactured apparel, could have a material adverse effect on cost of sales or our ability to meet customer demands. The prices of fabrics depend largely on the market prices of the raw materials used to produce them. The price and availability of the raw materials and, in turn, the fabrics used in our apparel may fluctuate significantly, depending on many factors. There can be no assurance that we will always be successful in our efforts to protect our business from the volatility of the market price of raw materials, and our business can be affected by dramatic movements in prices of raw materials. Discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since these suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside, or even instead of us. In the event that we fail to secure sufficient quantities of such raw materials from our suppliers at acceptable quality and prices in a timely manner, our business, financial performance and cash flows may be adversely affected. Further should there be any significant increases in prices of the raw materials used, and we are unable to pass on such increases in prices to our customers or find alternative suppliers/sources of direct materials who are able to supply us the raw materials at competitive prices, our business and financial performance will be adversely affected.

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

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

***11. We may not be able to successfully execute our expansion strategy of strengthening our sales network by opening new COCO stores in a timely manner and on commercially acceptable terms, which could adversely impact our growth strategy and consequently our results of operations.***

As per the Objects of Issue, our Company intends to open 84 new COCO stores at various locations across India in the next 3 Fiscals. As on the date of this Draft Red Herring Prospectus, our Company has identified certain areas and or locations for setting up the COCO stores and have entered into 9 letters of intent and 3 agreements to license for the same. However, there can be no assurance that the said identified areas and locations will be made available to us in a timely manner or at all or on such terms that are favourable to us. Our ability to effectively execute our expansion strategy depends on our ability to open new stores successfully, which depends on many factors, including, among other things, our ability to:

- identify suitable store locations, the availability of which is not in our control;
- negotiate acceptable lease terms;
- successfully integrate new outlets into our existing operations;
- identify and satisfy the merchandise preferences of new geographic areas; and
- adequately train store personnel.

Further any delay in opening of the COCO stores and any delay in obtaining the necessary approvals and permissions or not receiving such permissions at all or and any delay in executing the necessary agreements with respect to the same, may result in a delay of the implementation schedule in turn making our Company incur additional expenses. Any time overrun or cost overrun may adversely affect our growth plans and profitability. For further details pertaining to the Objects of the Issue, please refer to the chapter titled “*Objects of the Issue*” on page 81 of this Draft Red Herring Prospectus.

**12. Our Company intends to utilize ₹ 750.84 lacs out of the Net Proceeds for purchasing plant and machinery. There can be no assurance that such machinery will be made available to us in a timely manner.**

Our Company intends to utilize ₹ 750.84 lacs out of the Net Proceeds for purchasing plant and machinery. As on the date of this Draft Red Herring Prospectus our Company has not placed orders for such plant and machinery. Our Company has obtained quotations for such plant machinery from various vendors however; we have not entered into any definitive agreements with respect to the same. Most of these quotations are valid only for one year from the date of issue of such quotations and may also be subject to revisions from time to time. There can be no assurance that we will be able to procure the identified machinery in a timely manner or at all and further there can be no assurance that such identified machinery will be made available to us within the cost indicated by such quotations. Any cost overrun due to our failure to purchase machinery and equipment within our budget, could adversely impact our financial condition and also our growth prospects. For further details please refer to the chapter titled “*Objects of the Issue*” on page 81 of this Draft Red Herring Prospectus.

**13. The Objects of the Issue are based on quotations and the internal estimates of our management, and have not been appraised by any bank or financial institution. The deployment of funds in the project is entirely at our discretion and as per the details mentioned in the chapter titled “Objects of the Issue”.**

Our funding requirements and the deployment of the proceeds of this Issue are based on quotations received from third parties and management estimates and have not been appraised by any bank or financial institution or any independent agency. We may have to revise our quotations and management estimates from time to time and consequently, our funding requirements may also change. Our quotations and estimates may exceed the value that would have been determined by third party appraisals and may require us to reschedule our expenditure which may have a bearing on our expected revenues and earnings. Further, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. For further details of the Objects of the Issue, please refer to the chapter titled “*Objects of the Issue*” on page 81 of this Draft Red Herring Prospectus.

**14. Our Company depends on third party manufacturers for manufacturing some of its products such as shoes, belts, knitwear etc. under the brand ‘Numero Uno’.**

For some of our products sold, our Company depends on third party manufacturers for manufacturing some of its products. The revenue from these products are categorised as traded goods (including fabric and accessories sale). The revenue from sale of such traded goods contributed to 36.21%, 35.06% and 40.81% for, Fiscals 2015, 2014 and 2013 of our revenues from operation. Currently, our Company does not have any long term agreements with such third party manufacturers and any delay or failure on our part to procure such products in a timely manner, or at all may affect our business operation and cause a negative effect on our brand value thereby affecting our business operations.

**15. Our Company will be relocating its manufacturing operations from Gurgaon facility to Selaqui facility which could lead to a temporary disruption in our manufacturing activities.**

We currently have two manufacturing facilities located at Selaqui and Gurgaon. We are in the process of shifting our Gurgaon facility to Selaqui, subsequent to which our entire manufacturing capacity will be located at one place. Our Company will be relocating its entire manufacturing operations from Gurgaon facility to Selaqui facility in order to lower our operating costs including reduced rent, substantially lower energy costs. During the process of shifting, there may be a possibility that a part of our manufacturing operations may be temporarily reduced or disrupted. Other than incurring expenditure required for the relocation process, we may also be required to incur additional expenditure in the event any of our machineries, equipment etc. are damaged and or lost. Further, there can be no assurance that we will be able to complete the relocation process in a timely manner and we may face a time and cost overrun during the process. Further, we may also be required to obtain certain approvals/permissions for relocating and or expanding the existing facility at Selaqui and there can be no assurance that we will be able to obtain such approvals/permissions from the relevant authorities in a timely manner or at all. Any delay or disruption in the relocation process or any delay in obtaining the necessary permissions, may adversely affect our business operation, growth strategy and financial conditions.

Further, post the relocation process, our entire manufacturing activities will be concentrated in one manufacturing facility which exposes us to certain risks. In the event our manufacturing facility at Selaqui faces any operational disruption, shut down, break etc. down due to events beyond our control or any other factors, could result in a delay in completing our orders and consequently adversely affecting our business operation and

financial conditions.

**16. *Our Company may not be able to sell its inventory through its existing distribution network and such inventory may be subject to mark downs which may impact our results of operations and financial conditions.***

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

**17. *We do not own certain premises used by our Company. Disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/ lessors would adversely impact our manufacturing operations and, consequently, our business.***

As on the date of this Draft Red Herring Prospectus, our Registered office and both our manufacturing facilities are located on properties taken on leave and license or lease basis from various lessors / licensors. Our Registered Office and Gurgaon manufacturing facility are taken on lease from our Group Entity, PMW Estates LLP *vide* lease deed dated February 2, 2015 which is valid until December 31, 2015, and our manufacturing facility in Selaqui, Dehradun has been taken on lease from Uttar Pradesh State Industrial Development Corporation Limited *vide* a lease deed dated January 8, 2004 for a period of 90 years. Further, 23 of our COCO stores and 25 franchised stores have been taken by us on leave and license / lease basis from various licensors/lessors. There can be no assurance that our Company will be able to successfully renew the said leave and license or lease agreements in a timely manner or at all. Further there can be no assurance that we will not face any disruption of our rights as a lessee/ licensee and that such leave and licence and lease agreements will not be terminated prematurely by the licensor/lessor. Any such non-renewal or early termination or any disruption of our rights as lessee / licensee will adversely affect our business operations.

**18. *The premises where our Company proposes to open its COCO stores as stated in the Objects of the Issue, will be on leave and licenses and/or lease basis. Disruption of our rights as a lessee/ licensee lessee/ licensee***

The COCO stores proposed to be opened by our Company using the Issue Proceeds, will be on premises that will either be obtained on leave and license or lease basis. There can be no assurance that our Company will be able to successfully renew the said leave and license or lease agreements in a timely manner or at all. Further there can be no assurance that the will not face any disruption of our rights as a lessee/ licensee and that such leave and licence and lease agreements we not will be terminated prematurely by the licensor/lessor. Any such non-renewal or early termination or any disruption of our rights as lessee / licensee will adversely affect our business operations in the future. For further details please refer to the chapter titled “*Objects of the Issue*” on page 81 this Draft Red Herring Prospectus.

**19. *Our Promoters and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters, and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to regular remuneration or benefits and reimbursements of expenses, to the extent of Equity Shares held by them their relatives and their dividend or bonus entitlement, and benefits arising from their directorship in our Company and are also interested to the extent of sitting fee payable to them for attending each of our Board and Committee meetings. Further, two of our Key Managerial Personnel, Rajiv Jain and Gurwinder Singh Oberoi also have an interest in our Company other than the than reimbursement of expenses incurred or normal remuneration or benefits. Gurwinder Singh Oberoi, has an interest in our Company to the extent of the profit sharing understanding entered into with him for our footwear and accessories business and Rajiv Jain has an interest in our Company to the extent of related party transactions entered into with his partnership firm namely M/s. Vardhman Creations. Our Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners.

Further, our Promoters are also interested to the extent of the property leased to our Company from our Group Entity namely PMW Estates LLP and are also interested to the extent of equity shares held by them in the

Promoter Group Entities. Our Promoters are also interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities.

For further details please refer to the paragraph titled “*Our Properties*” in the chapter titled “*Our Business*”, the paragraphs titled “*Interest of our Directors*” and “*Interest of Key Managerial Personnel*” in the chapter titled “*Our Management*”, the paragraph titled “*Our Promoters*” in the chapter titled “*Our Promoters and Group Entities*” and “*Annexure XXXII - Statement of Related Parties and Related Party Transactions*” on pages 140, 171, 173 and 296 respectively, of this Draft Red Herring Prospectus.

There can be no assurance that our Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Directors and our Key Management Personnel may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders.

***20. Statutory auditors of our Company and our Subsidiary, NUBL have included certain qualifications/ observations and emphasis of matter paras in their respective audit reports of our Company and its subsidiary.***

Statutory auditors of our Company and our Subsidiary, NUBL have included certain qualifications/ observations and matters of emphasis in their respective audit reports of our Company and its subsidiary, including with respect to the Companies (Auditor’s Report) Order, 2003 and 2015, as applicable, which are discussed in our restated standalone and consolidated financial information. Please refer to the chapter titled “*Financial Statements – Annexure IV Part-B*” on page 191 of this Draft Red Herring Prospectus. Accordingly, investors should read our restated standalone and consolidated financial information mentioned in chapter titled “*Financial Statements - Annexure IV Part-B*” on page 191 of this Draft Red Herring Prospectus, in the context of such auditor qualifications/ observations and other matters of emphasis highlighted by our statutory auditors with respect to our historical financial information.

***21. Our Promoter have extended personal guarantees with respect to various loan facilities availed by our Company. Revocation of any or all of these personal guarantees may adversely affect our business operations and financial condition.***

Our Promoters Narinder Singh Dhingra and Rohini Singh Dhingra have extended personal guarantees in favour of certain banks with respect to various facilities availed by our Company from them. In the event any of these guarantees are revoked, our lenders may require us to furnish alternate guarantees or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees in a timely manner or at all. If our lenders enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations. For further details please refer to the chapter titled “*Financial Indebtedness*” on page 323 of this Draft Red Herring Prospectus.

***22. We are dependent on third party transportation providers for delivery of raw materials to us from our suppliers and delivery of our products to our customers and distributors. Any failure on part of such service providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.***

As a manufacturing business, our success depends on the smooth supply and transportation of the raw materials required for our manufacturing process and transportation of our products from our units or warehouses to our customers and distributors, both of which are subject to various uncertainties and risks. We use a combination of third party transportation providers and our own fleet for the delivery of raw materials to us and delivery of our products to our customers and distributors. Transportation strikes have had in the past, and could again in the future, have an adverse effect our supplies and our deliveries to and from our customers and suppliers in a timely and cost efficient manner. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and our results of operation negatively. A failure

to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

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

Defects, if any, in our products could lead to rejection of supplied products and consequential replacement liability. In the event our Company fails to replace the defective products in a timely manner or at all, the same could consequently lead to a negative publicity of our brand thereby affecting our brand value, our business, results of operations or financial condition. Such defective products, if capable of being refinished, are sold by our Company as fresh merchandise and the products that cannot be refinished, are sold at a discounted price.

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

**24. *Our Company in certain instances in the past, has delayed in complying with disclosure requirements and undisputed statutory dues to various government and local bodies which may require us to pay penalties.***

Our Company in certain instances in the past, has delayed in reporting requirements of some of the annual financial statements, as required under the Companies Act to the RoC and annual returns on foreign liabilities and assets as required under Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 to the Reserve Bank of India and payment of contribution towards ESIC and PPF. If we are unable to compound such matters, we may be required to pay statutory penalties. For further details of such delays, please refer to the paragraph titled “*Delays with Regulatory Authorities*” on page 344 under the chapter titled ‘*Outstanding Litigation and Material Developments*’ of this Draft Red Herring Prospectus.

**25. *Our Subsidiary, NUBL does not comply with the provisions of the Companies Act and rules made thereunder regarding the appointment of whole time company secretary. Such non-compliances may result into penalties or other action on our Subsidiary.***

Our Subsidiary, NUBL is required to comply with Section 203 of the Companies Act, 2013 read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pursuant to which a company having paid up share capital of ₹ 500 lacs or more shall have a whole time company secretary. NUBL is yet to appoint a whole time company secretary and is therefore not compliant with the Companies Act and the rules made thereunder. Such non-compliance may result into penalties or other actions on NUBL by the statutory authorities.

**26. *We could be required to pay further compensation pursuant to covenants of our lease deed for our Manesar unit which could affect our financial condition.***

Our property in Manesar has been allotted to us by Haryana State Industrial and Infrastructure Development Corporation Limited (“*HSIDC*”) *inter alia* on the condition that, any additional consideration, as a consequence of enhancement in compensation that may be awarded by the court(s) in the matters/cases arising out of acquisition proceedings filed by land owners under Section 18 of the Land Acquisition Act, 1894. *Vide* letters dated August 29, 2014 and December 31, 2012, HSIDC has issued notice for payment to our Company demanding enhanced charges amounting to ₹ 26.49 lacs and ₹ 48.36 lacs respectively. Our Company has paid an amount of ₹ 26.49 lacs to HSIDC towards enhanced compensation. Further, our Company *vide* 6 instalments has paid an amount of ₹ 58.75 lacs, including interest, to HSIDC. There is a possibility that we might continue to receive such demands for enhanced compensation until the proceedings filed by the land owners under the Land Acquisition Act, 1894 are not settled and such demands may adversely affect our financial conditions and operations.

**27. *We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.***

As of March 31, 2015, our contingent liabilities and commitments (to the extent not provided for) as disclosed



in the notes to our restated consolidated financial information aggregated to ₹ 73.77 lacs. The details of our contingent liabilities are as follows:

Particulars	Amount (₹ in lac)
Value Added Tax	46.57*
Other claims against our Company not acknowledged as debts	27.20

\*Does not include interest.

Our Company has paid additional consideration to Haryana State Industrial and Infrastructure Development Corporation Limited in relation to our property located at Manesar towards enhanced compensation including interest thereon. There is a possibility that our Company might continue to receive such demands for enhanced compensation until the proceedings filed by the land owners under the Land Acquisition Act, 1894 are not settled. If any of these contingent liabilities materialize, our results of operations and financial condition may be adversely affected. For further details of contingent liability, see the chapter titled “Financial Statements” on page 180 of this Draft Red Herring Prospectus. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

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

As of March 31, 2015 we have entered into several related party transactions with our Promoter and Group entities relating to our operations. Our manufacturing facility in Gurgaon is built on land that has been leased from one of our Group entities, PMW Estates LLP for a consideration of ₹ 6.48 lacs per month (excluding service tax). In addition, we have in the past also entered into transactions with other related parties. Our Company has entered into related party transactions amounting to ₹ 722.97 lacs for the Fiscal ended March 31, 2015. For further details please refer to the chapter titled “Financial Statements- Annexure XXXII - Statement of Related Parties and Related Party Transactions” on page 296 of this Draft Red Herring Prospectus.

While we believe that all our related party transactions have been conducted on an arm’s length basis, and pursuant to a certificate dated April 27, 2015, M/s. B S R & Co. LLP, Chartered Accountants, have certified that related party transactions have been disclosed as per AS-18 of ICAI, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

**29. Our Company has experienced negative cash flow in prior periods and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.**

Our Company has experienced negative net cash flow in operating activities in the past, the details of which are provided below:

Particulars	(₹ in lacs)				
	For the year ended March 31				
	2015	2014	2013	2012	2011
Net cash flows generated from/ (used in) operating activities	1,209.71	1,601.70	727.80	1,066.97	(906.25)
Net cash flows generated from / (used in) investing activities	(859.51)	(289.52)	(381.64)	(549.55)	(471.35)
Net cash flows generated from / (used in) financing activities	(386.85)	(1,313.70)	(319.92)	(503.43)	1,388.41

We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition.

**30. Our Subsidiary and one of our Group Entities have incurred losses in the past. Continuous financial losses by our Subsidiary or any of our Group Entities may be perceived adversely by external parties such as customers, bankers, and suppliers, which may affect our reputation.**

Our Subsidiary has incurred losses in Fiscal 2015 and Fiscal 2013, the details of which are as below:

(₹ in lacs)			
Name of the Subsidiary	Fiscal 2015	Fiscal 2014	Fiscal 2013
Número Uno Brands Limited	(11.36)	121.55	(286.96)

Our Group Company, PMW Estate, LLP has incurred a loss in Fiscal 2014 and Fiscal 2012, details of which are as under:

(₹ in lacs)			
Name of the company	Fiscal 2014	Fiscal 2013	Fiscal 2012
PMW Estates, LLP	(2.72)	27.23	(59.19)

There can be no assurance that these entities, or any other ventures promoted by our Promoters, will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses. Additionally, such losses incurred by our Subsidiary and Group Entities may be perceived adversely by external parties such as customers, bankers, and suppliers, which may affect our reputation.

**31. Our agreements with various lenders for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.**

We have entered into agreements for short term and long term borrowings with certain lenders. These borrowings include secured fund based and non-fund based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, undertake guarantee obligations on behalf of any other bowered including group companies, which require our Company to obtain prior approval of the lenders for any of the above activities. We cannot assure you that our lenders will provide us with these approvals in the future. For details of these restrictive covenants, please refer to chapter titled “Financial Indebtedness” on page 323 of this Draft Red Herring Prospectus.

Further, certain of our financing arrangements include covenants to maintain our total outside liabilities and total net worth up to a certain limit and certain other liquidity ratios. We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. Defaults under one or more of our Company’s financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our cash flows, business, results of operations and financial condition.

We believe that our relationships with our lenders are good, and we have in the past obtained consents from them to undertake various actions and have informed them of our corporate activities from time to time. Compliance with the various terms of such financing arrangements, however, is subject to interpretation and there can be no assurance that we have requested or received all relevant consents from our lenders as contemplated under our financing arrangements. It may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents. Further we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest.

**32. In addition to our existing indebtedness for our existing operations, we may require further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.**

As on March 31, 2015 our Company’s total indebtedness is ₹ 2,440.39 Lacs. In addition to the indebtedness for our existing operations, we may require further indebtedness during the course of business. There can be no guarantee that we will be able to obtain the new facilities at favourable terms. Increased borrowings, if any, may

adversely affect our debt-equity ratio and our ability to further borrow at competitive rates. Also we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget for our working capital requirements, in which case there may be delays in arranging the additional working capital requirements which may delays leading to loss of reputation, levy of liquidated damages and an adverse effect on the cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements which may be entered into with our lenders could lead to a termination of one or more of our credit facilities, trigger cross default provisions, penalties and acceleration of amounts due under such facilities which may adversely affect our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled “*Financial Indebtedness*” on page 323 of this Draft Red Herring Prospectus.

***33. Any discontinuance or non-availability of fiscal benefits enjoyed by us or our inability to comply with related requirements may have an adverse effect on our business, financial position, profitability and results of operations.***

The Government of India has provided for various fiscal incentives including concessions on duty imports under the Export Promotion Capital Goods Scheme (“**EPCG Scheme**”). Our Company also enjoys certain incentives under the EPCG Scheme for our manufacturing facilities. The EPCG Scheme allows imports at concession rates of customs duty and requires the importer to export a specified quantity of goods over a period of six/eight years and to maintain an average export performance per year. Non-fulfilment of such obligations may result in confiscation of capital goods imported under EPCG Scheme and other penalties as set out in the EPCG Scheme. The export obligation of our Company under the EPCG Scheme as on March 31, 2015 was ₹ 46.47 lacs. Though in the past we have not been penalised for non-fulfilment of the export obligations under the EPCG Scheme; there can be no assurance that we would be able to meet the export obligations at all times in the future and any such failure could expose us to penal liabilities. In the event we are in default of the EPCG Scheme and the incentives provided therein are withdrawn by the Government of India, it could have a material adverse effect on our business, financial position, profitability and results of operation. Further, we may be penalized for our failure to comply with such export obligations in a timely manner or at all.

For further information please refer to the section titled “*Government and Other Approvals*” on page 347 of this Draft Red Herring Prospectus.

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

Our Company depends on the management skills and guidance of our Promoters for development of business strategies, monitoring its successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our key managerial personnel. Some of our key managerial personnel have been associated with our Company since inception and have been integral to the growth and in the success of our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our key managerial personnel are unable or unwilling to continue in his/ her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. There is significant competition for management and other skilled personnel in the branded apparel industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors and other apparel brands will not offer better compensation packages and incentives to such key managerial personnel Further, as on the date of this Draft Red Herring Prospectus, our Company does not have key man insurance policies and in the event we are not able to attract and retain talented employees, as required for conducting our business, or we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and operations may be adversely affected. For further details on our key managerial personnel, please refer to the chapter titled “*Our Management*” on page 158 of this Draft Red Herring Prospectus.

***35. One of our Key Managerial Personnel is a partner in another firm which is in the same line of business which may be a potential source of conflict for us and may have an adverse effect on our Business operations.***

Gurwinder Singh Oberoi, one of our Key Managerial Personnel, who is heading our footwear and accessories

business, is a partner in a firm namely M/s. Aryan Trading Corporation, which is engaged in the trading business of footwear and accessories, which is similar to our business activity. This may be a potential source of conflict of interest for our Company as he could make decisions that have a material effect on our operations. For further details, please refer to paragraph titled “*Interest of Key Managerial Personnel*” in the chapter titled “*Our Management*” on page 158 of this Draft Red Herring Prospectus.


**36. *Our applications for renewal of certain licenses, approvals and registrations, which are required for our Company’s operations and business, are pending before the relevant authorities. Not receiving these licenses, approvals and registrations in a timely manner or at all may lead to interruption of our Company’s operations.***

We require certain statutory and regulatory approvals, licenses, registrations and permissions to operate our business some of which are granted for a fixed period of time and need to be renewed from time to time. Our Company has made applications before the relevant authorities for renewal of some of the licenses, approvals and registrations that have expired which are pending before the relevant authorities. Further, these are certain licenses/approvals that we will be required to obtain from the relevant authorities for setting up our COCO stores as per the Objects of the Issue, which will be applied for at a later date. There can be no assurance that the relevant authorities will renew such licenses, approvals and registrations in a timely manner or at all. Further, these licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our Company’s operations and may have a material adverse effect on our business. For further details on the licenses obtained by our Company, please refer to the chapter titled “*Government and Other Approvals*” on page 347 of this Draft Red Herring Prospectus.


**37. *Some agreements entered into by our Company with various parties are not stamped and some are not adequately stamped. The said agreements may not be admissible as evidence in a court of law, until the relevant stamp duties are paid and the relevant registration, if required, is done.***

Some of the leave and license and lease deeds/agreements entered into by our Company with various parties for our leasehold properties are not stamped and some are not adequately stamped. The potential consequence of this could be that the said agreements may not be admissible as evidence in a court of law, until the relevant stamp duties are paid, if required, and the required registration is done. As on the date of this Draft Red Herring Prospectus, our Company has not initiated / been party to any litigation in this regard. Any claim or adverse order / finding in connection with these agreements could adversely affect the operations of our Company. Further, some of these agreements entered into with certain parties outside India contain clauses which provide for dispute resolution outside India, in foreign jurisdictions. In case disputes arise in respect of the same which require us to approach judicial or alternative dispute resolution fora, the costs of dispute resolution could be extremely or prohibitively high.

Further, some of these agreements entered into with various parties across the world contain clauses which provide for dispute resolution outside India, in foreign jurisdictions. This may escalate the cost of litigations, should any arise.

**38. *Our application made for registration of our current trademark and logo , owned by our Company along with other applications are still pending with the relevant trademark authorities. If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected.***

Our Company’s success largely depends on our brand name and brand image and our trademarks are important for differentiating our Company’s products from that of our competitors. Our company has over the years registered different trademarks for our brand Numero Uno. Our Company has applied for registration of its

current trademark and logo , presently being used by our Company, under the provisions of the Trademarks Act, 1999, along with registration of our other trademarks; however, as on the date of this Draft Red Herring Prospectus, the same have not been registered in the name of our Company. Hence, our Company does not enjoy the statutory protections accorded to a registered trademark. There can be no assurance that we will be able to register the trademark and the logo or that, third parties will not infringe our intellectual

property, causing damage to our business prospects, reputation and goodwill. Further, our Company cannot assure that the application for registration of our trademark in the future will be granted by the relevant authorities in a timely manner or at all. If any of our unregistered trademarks or proprietary rights are registered by a third party, we may not be able to make use of such trademark or proprietary rights in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with our Company. Our Company's efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigation and any such litigation could be time consuming and costly and the outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

***39. Our Company is highly dependent on skilled contract labour for manufacturing of our products. If we are unable to continue to hire skilled contract labour, the quality of our products being manufactured in our units can get affected.***

Our operations are significantly dependent on access to a large pool of contract labour for our manufacturing facilities. As of March 31, 2015, while we had 468 permanent full time employees, we also employed around 124 contract labours. The number of contract labourers employed by us varies from time to time based on the nature and extent of work we are involved in. Our dependence on such contract labour may result in significant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract labour during peak periods. There can be no assurance that we will have adequate access to skilled workmen at reasonable rates. As a result, we may be required to incur additional costs to ensure timely execution of our projects.

Our Company appoints independent contractors who in turn engage on-site contract labourers for carrying out the manufacturing process. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent workmen. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

Also, on an application made by contract labourers, an Industrial court or Tribunal may direct that the contract labourers are required to be regularized or absorbed by our Company. Further, the State Government may prohibit employment of contract labour. If either of the above should occur, we may be required to induct such labourers on our payroll, as employees which may result in increased expenses. Further, even though we have obtained all necessary approvals as required under the statutes there can be no assurance that we may continue to hold such permits, licenses or approvals in the time-frame anticipated by it or at all. Such non-issuance or non-renewal may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and future results of operations.

Furthermore, all contract labourers engaged in our projects are assured minimum wages that are fixed by the relevant State governments, and any increase in such minimum wages payable may adversely affect our results of operations.

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

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as breakdown, malfunctions, sub-standard performance or failures of manufacturing equipment, fire, riots, third party liability claims, loss-in-transit for our products, accidents and natural disasters. At present our insurance policies provide for coverage against risk including loss of money, burglary, fire, damage, cargo, etc. however, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. While we maintain insurance coverage in amounts consistent with industry norms, our insurance policies do not cover all risks, specifically risks such as loss of profits, and are subject to exclusions and deductibles. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely

affected. Further, there is no assurance that the insurance premium payable by us will be commercially viable or justifiable. For further details please refer to the paragraph titled “*Insurance*” in section titled “*Our Business*” on page 128 of this Draft Red Herring Prospectus.

***41. We rely on our information technology systems in managing our sales, distribution network, production process, logistics, designing and other integral parts of our business. Any failure of our information technology systems could have a material adverse effect on our business, financial condition and results of operations.***

We rely on our information technology system such as SAP and LOGIC in connection with sales, order booking, distribution network, raw material procurement, design developing, accounting and production. We also use advanced software for document management, database and payroll. Any failure of our information technology systems could result in business interruptions, including disruption in our distribution management, the loss of buyers, damaged reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. For further details, please refer to the paragraph titled “*Integrated Systems and Processes*” in the chapter titled “*Our Business*” on page 131 of this Draft Red Herring Prospectus.

Our information technology systems, specifically our software may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our services to our customers. Moreover, we may not operate an adequate disaster recovery system. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our services, which could adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorised access to our networks.

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

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Our Company has consistently paid dividends in the last 3 years however, there can be no assurance that our Company will continue to declare dividends in the future also. For further details, please refer to the chapter titled “*Dividend Policy*” and the chapter titled “*Financial Indebtedness*” on page 179 and 323 respectively, of this Draft Red Herring Prospectus.

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

Upon completion of this Issue, our Promoter and Promoter Group will continue to own a majority of our Equity Shares. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders’ approval. Accordingly, our Promoters will continue to retain a significant control, including being able to control the composition of our Board of Directors, determine decisions requiring simple or special majority voting of shareholders, relating to any sale of all or substantially all of our assets, timing and distribution of dividends and termination of appointment of our officers, and our other shareholders may be unable to affect the outcome of such voting. There can be no assurance that our Promoters will exercise their rights as shareholders to the benefit and best interests of our Company. Further, such control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company’s best interest. The interests of our Promoters could conflict with the interests of our other equity shareholders, and the Promoters could make decisions that materially and adversely affect your investment in the Equity Shares.

***44. Our Company has issued Equity Shares in the last 12 months at a price which may be lower than the Issue Price***

We have in the last 12 months made certain issuances of Equity Shares to the Promoters, Promoter Group entities and other existing shareholders of our Company at a price which may be lower than the Issue Price. In particular, the Board, in its meeting held on February 14, 2015 approved the issue of bonus shares to our Company's shareholders in the ratio of 4:1 (four shares for every share held) by utilizing ₹ 3,133.00 lacs from the securities premium account, ₹ 147.92 lacs from general reserves and ₹ 457.80 lacs from surplus in the statement of profit and loss. For further details, please refer to chapter titled "*Capital Structure*" on page 68 of this Draft Red Herring Prospectus.

**45. *The Offer for Sale proceeds will not be available to us.***

This Issue includes a Fresh Issue of [●] Equity Shares by our Company aggregating up to ₹ 6,500 lacs and an Offer for Sale of up to 84,00,000 Equity Shares aggregating to ₹ [●] lacs by our Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. The object of the Offer for Sale is to carry out the disinvestment of up to 84,00,000 Equity Shares by the Selling Shareholders. Therefore, the proceeds from the Offer for Sale shall be remitted to the Selling Shareholders and our Company will not benefit from such proceeds.

**External Risks**

**46. *If we are unable to adapt to technological changes coupled with changes in market conditions, changes in fashion trends and the requirements of our customers, or to identify and understand evolving industry trends and preferences and manufacture new products to meet our customers' demands, our business and results of operations may be adversely affected.***

Our future success will depend in part on our ability to respond to technological advances and changes in market conditions, changes in fashion trends and the requirements of our customers and also changes in the businesses in which we operate, on a cost-effective and timely basis. Any advancements, changes or up gradation in the present technology being used by may render the present technology obsolete and may require us to incur additional capital expenditure for upgrading our facilities and equipment so as to compete with our competitors on a global scale. To compete effectively in the industry, we must be able to develop and design new products to meet our customers' demand in a timely manner. In the event that we are not able to respond to such technological advancements or changes in fashion trends and demands of our customers in a timely manner, we may become less competitive thereby adversely affecting our business, results of operations and financial condition.

**47. *Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

**48. *The Equity Shares issued pursuant to the Issue may not be listed on BSE and NSE in a timely manner, or at all, and any trading closures at BSE and NSE may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted and there could therefore be a failure or delay in listing the Equity Shares on BSE and NSE. Any failure or delay in obtaining such approval would restrict your ability to dispose of your Equity Shares. BSE and NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including our Equity Shares. A closure of, or trading stoppage on BSE and NSE could adversely affect the trading price of the Equity Shares.

***49. Compliance with, and changes in safety, health and environmental laws and regulations may adversely affect our business, prospects, financial conditions and results of operations***

Our Company is subject to safety and health laws and regulations such as the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981. These laws and regulations impose controls on our Company's safety standards, and other aspects of its operations. Our Company has incurred and expects to continue to incur, operating costs to comply with such laws and regulations. In addition, our Company has made and expects to continue to make capital expenditures on an on-going basis to comply with the safety and health laws and regulations. Our Company may be liable to the Government of India or the State Governments or Union Territories with respect to its failures to comply with applicable laws and regulations. Further, the adoption of new safety and health laws and regulations, new interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that our Company make additional capital expenditures or incur additional operating expenses in order to maintain its current operations or take other actions that could have a material adverse effect on its financial condition, results of operations and cash flow. Safety, health and environmental laws and regulations in India, in particular, have been increasing in stringency and it is possible that they will become significantly more stringent in the future. The costs of complying with these requirements could be significant and may have an impact on our financial condition.

***50. There is no existing market for our Equity Shares, and we do not know if one will develop to provide you with adequate liquidity. Further, an active trading market for the Equity Shares may not develop and the price of the Equity Shares may be volatile.***

An active public trading market for the Equity Shares may not develop or, if it develops, may not be maintained after the Issue. Our Company and the Selling Shareholders, in consultation with the BRLMs, will determine the Issue Price. The Issue Price may be higher than the trading price of our Equity Shares following this Issue. As a result, investors may not be able to sell their Equity Shares at or above the Issue Price or at the time that they would like to sell. The trading price of the Equity Shares after the Issue may be subject to significant fluctuations in response to factors such as, variations in our results of operations, market conditions specific to the sectors in which we operate economic conditions of India and volatility of the BSE, NSE and securities markets elsewhere in the world.

***51. The price of the Equity Shares may be highly volatile after the Issue.***

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the apparel industry; adverse media reports on us or the Indian apparel industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

***52. You will not be able to sell immediately on the Stock Exchange any of the Equity Shares you purchase in the Issue.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat" accounts with depository participants in India are expected to be credited within two working days of the date on which the Basis of Allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of final listing and trading approval from the Stock Exchanges, trading in the Equity Shares is expected to commence within approximately 12 Working Days of the Bid Closing date. There could be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict investors' ability to dispose off their Equity Shares. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. In addition, we would be liable to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

***53. The requirements of being a listed company may strain our resources.***



We are not a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges, which require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

Further, as a listed company we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, results of operations and financial condition and the price of our Equity Shares. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely manner.

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

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

***55. Any future issuance or sale of the Equity Shares by any existing shareholder could significantly affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by us or the disposal of Equity Shares by any of the major shareholders or the perception that such issuance or sales may occur may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

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

Subsequent to listing, our Company will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform our Company of the percentage limit of the circuit breaker from time to time, and may change it without its knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

***57. Changing laws, rules and regulations and legal uncertainties may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. For further details, please refer to the chapter titled "Key Regulations and Policies" on page 142 of this Draft Red Herring Prospectus. We cannot assure you that the Central Government or state Governments in India will not

implement new regulations and policies which will require us to obtain additional approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. Further, the Government of India has announced the union budget for the Financial Year 2016 and the Finance Bill, 2015 has been tabled before the Parliament. However, the Finance Act has not yet been passed by the Parliament. As such, there is no certainty on the impact that the Finance Bill, 2015 may have on our business and operations or on the industry that we operate in.

**58. *A slowdown in economic growth in India could cause our business to suffer.***

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

- Factors that may adversely affect the Indian economy, and hence our results of operations, may include:
- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

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

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the Companies Act, 2013 within the prescribed timelines, and this could also affect our reputation. To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavour to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

**60. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the

adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities, and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

**61. *Investors 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 shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (“STT”) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long 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 will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Sale of Equity Shares by any holder may give rise to tax liability in India, as discussed in the chapter titled “*Statement of Tax Benefits*” on page 101 of this Draft Red Herring Prospectus.

**62. *Public companies in India, including our Company, are required to prepare financial statements under Ind AS. The transition to Ind AS in India is very recent and still unclear and our Company may be negatively affected by such transition.***

Our financial statements, including the restated financial information included in this Draft Red Herring Prospectus are prepared in accordance with Indian GAAP and restated in accordance with the SEBI Regulations. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP.

Public companies in India, including our Company, are required to prepare annual and interim financial statements under Indian Accounting Standard 101 “First-time Adoption of Indian Accounting Standards” (“Ind AS”). On January 2, 2015, the Ministry of Corporate Affairs, Government of India (the “MCA”) announced the revised roadmap for the implementation of Ind AS for companies other than banking companies, insurance companies and non-banking finance companies through a press release. On February 16, 2015, the MCA issued the Companies (Indian Accounting Standards) Rules, 2015 (the “Indian Accounting Standard Rules”) to be effective from April 1, 2015. The Indian Accounting Standard Rules provide for voluntary adoption of Ind AS by companies in financial year 2015 and, implementation of Ind AS will be applicable from April 1, 2016 to companies with a net worth of ₹5,000 million or more. Additionally, Ind AS differs in certain respects from IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS.

While the adoption of Ind AS is not mandatory for our Company or our subsidiaries, if adopted, there can be no assurance that the adoption of Ind AS by our Company will not adversely affect its results of operation or financial condition. Any failure to successfully adopt Ind AS in accordance with the prescribed timelines may have an adverse effect on the financial position and results of operation of our Company.

**63. *Terrorist attacks, civil disturbances, wars, regional and communal conflicts, natural disasters, fuel shortages, epidemics and labour strikes in India and elsewhere in Asia may have a material adverse effect on our Company's business and on the market for securities in India.***

India has experienced civil and social unrest, terrorist attacks and other acts of violence in the last few years. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, future financial performance, cash flows and the

market price of our Equity Shares. Southern Asia has also, from time to time, experienced instances of civil unrest, political tensions and hostilities among neighbouring countries. Additionally, any of these events could lower confidence in India's economy and create a perception that investments in companies with Indian operations involve a high degree of risk, which could have a material adverse effect on the price of the Equity Shares. Any discontinuation of business or loss of profits due to such extraneous factors may affect our operations. Further, our operations are dependent on our ability to protect our facilities and infrastructure from fire, explosions, floods, typhoons, earthquakes, power failures and other similar events. India has experienced natural disasters such as earthquakes, a tsunami, floods and droughts in the past few years. In addition, we can give no assurance that the insurance coverage we maintain for such risks will adequately compensate it for all damage and economic losses from natural or man-made catastrophes. The occurrence of a natural disaster of a significant scale could cause interruptions in our operations. The extent and severity of these natural disasters determines our impact on the Indian economy and infrastructure.

### **Prominent Notes**

1. Investors may contact the Book Running Lead Managers for any complaint, information or clarification pertaining to the Issue. All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Bidder, number of Equity Shares for which the Bidder applied, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Bidder. All grievances relating to the non-ASBA process must be addressed to the Registrar to the Issue quoting the full details of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Syndicate Member or the Registered Broker where the Bid was submitted and cheque or draft number and issuing bank thereof. For contact details of the Book Running Lead Managers and the Company Secretary and Compliance Officer of our Company, please refer to the chapter titled "*General Information*" on page 57 of this Draft Red Herring Prospectus.
2. Our Company's net worth as at March 31, 2015, as per our restated financial information on standalone and consolidated basis was ₹ 9,775.77 lacs and ₹ 9,377.44 lacs respectively. For further details, please refer to the section titled "*Financial Information*" on page 180 of this Draft Red Herring Prospectus.
3. Public Issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share including a Share Premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] Lacs. The Issue comprises of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 6,500 Lacs and an Offer for Sale of up to 84,00,000 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] Lacs. The issue shall constitute [●] % of the fully diluted post-issue paid up capital of our Company.
4. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

<b>Name of Promoter</b>	<b>Number of Equity Shares held</b>	<b>Average cost of acquisition (₹)</b>
Narinder Singh Dhingra	3,38,34,020	2.00
Rohini Singh Dhingra	1,20,000	2.00

For further details pertaining to the allotment of Equity Shares to our Promoters, please refer to the chapter titled "*Capital Structure*" on page 68 this Draft Red Herring Prospectus.

5. There has been no change in the name of our Company since its incorporation.
6. Our Company has entered into related party transaction amounting to ₹ 722.97 lacs for Fiscal March 31, 2015. For details on related party transactions, please refer to the chapter titled "*Financial Statements- Annexure XXXII - Statement of Related Parties and Related Party Transactions*" on page 296 of this Draft Red Herring Prospectus.
7. Except as disclosed in chapters titled "*Financial Statements- Annexure XXXII - Statement of Related Parties and Related Party Transactions*" and "*Our Promoters and Group Entities*", "*Our Group Entities*" and "*Capital Structure*" on pages 296, 173, 176 and 68, respectively of this Draft Red Herring Prospectus, none of our Promoter, Directors, key managerial personnel or Group Entities have any business or other interest,

other than to the extent of Equity Shares held by them and to the extent of the benefits arising out of such shareholding.

8. The net asset value/book value per Equity Share as per the restated standalone and consolidated financial information as at March 31, 2015 is ₹ 20.92 and ₹ 20.07 respectively.
9. Trading in Equity Shares of our Company for all investors shall be in dematerialised form only.
10. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” on page 98 of this Draft Red Herring Prospectus.
11. No part of the Issue proceeds will be paid as consideration to Promoters, Directors, Key Managerial Personnel or persons forming part of Promoter Group.
12. There has been no financing arrangement whereby the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

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 Other Corporate Matters*” on page 152 of this Draft Red Herring Prospectus.

## SECTION III: INTRODUCTION

### SUMMARY OF INDUSTRY

Unless otherwise stated, the information in this section is derived from “Indian Clothing Industry Report – January 2015” prepared by ICRA Management Consulting Services Limited (IMaCS).

All information contained in the report has been obtained by ICRA Management Consulting Services Limited (IMaCS) from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided ‘as is’ without any warranty of any kind, and IMaCS in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information and estimates contained herein must be construed solely as statements of opinion, and IMaCS shall not be liable for any losses incurred by users from any use of this publication or its contents

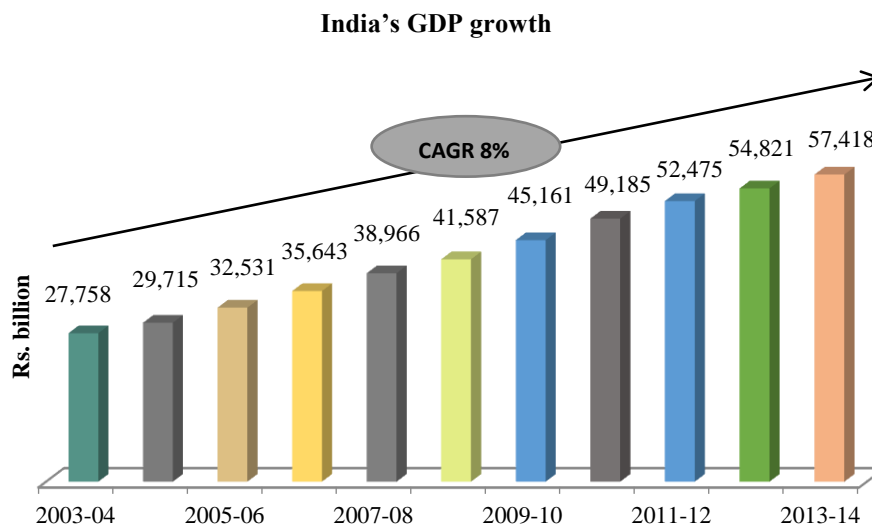
#### ▪ OVERVIEW OF THE INDIAN ECONOMY

India is the 10th largest economy in the world in terms of Gross Domestic Product (GDP). India has been ranked among the top three attractive destinations for inbound investments. Indian economy is expected to grow by 5.5 % during the year ended 31 March 2015. The revival of investment with another round of easing of interest rates expected in mid-2015 and higher growth in the industrial sectors is expected to contribute to the GDP growth.

Indian economy offers enormous long-term advantages, such as a young demographic base, growing incomes, an expanding (and globalized) middle class, an educated workforce, and a stable democracy. Sectors that are expected to perform very well in the coming days include consumer products and organized retail, automotive, banking, financial services and insurance, Information and communication technology (ICT) and life sciences.

#### Growth in GDP and Per capita Income

India's GDP at factor cost has grown at a CAGR of about 8% from ₹ 27,758 billion in 2003-04 to an estimated ₹ 57,418 billion in 2013-14. The GDP grew at an unprecedented rate of over 9% from 2005-06 to 2007-08. Indian economy also recovered swiftly from the global economic crisis of 2008-09. However, the growth slid thereafter because of internal and external reasons including slowdown in export market, high inflation, deteriorating current account deficit and high fiscal deficit. The economy is poised for over 5 % growth, leaving behind the slow pace of the last two years.



The shares of key sectors of economy in GDP have remained more or less the same in 2013-14 as compared to 2004-05. The per capita domestic product has increased from ₹ 22,985 to ₹ 39,904 during this period.

#### ▪ OVERVIEW OF TEXTILE INDUSTRY IN INDIA

The Indian T&C industry has a great variety, with the hand-spun and hand-woven sector at one end of the spectrum, and the capital intensive sophisticated mill sector at the other. India's decentralized power looms, hosiery and knitting sector form the largest section of the textiles sector.

Contributing about 27 % of global cotton supply, India has the second largest textile manufacturing capacity globally. India is one of the few countries in world which has production at each level of textile manufacturing such as fibre manufacturing, spinning, weaving, knitting, processing and garmenting.

India is also currently the world's second largest textile exporter after China and has overtaken Italy, Germany and Bangladesh. India has a 63 % share in world T&C market, having the highest loom capacity (including handlooms). The Indian textiles industry accounts for about 24% of the world's spindle capacity and 8% of global rotor capacity. In India, the T&C industry is considered a 'Sunrise industry'

As of March 2014, the Indian T&C market size was valued at ₹ 6.6 trillion. This comprises of both domestic market at ₹ 4.2 trillion and export value of about ₹ 2.4 trillion. The market has grown at a CAGR of 13 % between 2008-09 and 2013-14. It is projected to reach ₹ 25 trillion by 2025 growing at a CAGR of 12 %.

#### ▪ **OVERVIEW OF BRANDED APPAREL INDUSTRY IN INDIA**

As of December 2014, the global apparel market is estimated at ₹ 70 trillion. Of this, 75 % is taken by the EU-27, USA, China and Japan. India occupies sixth position in the world apparel market. The apparel industry has a lot of variety, shorter product life cycle due to changing demand and a long and rigid distribution network.

Branded apparel is growing because of a number of reasons such as the growth of organized retail, rising disposable incomes, increasing discretionary spend, fashion awareness, e-tailing of apparels, brand consciousness, presence of international brands, and changing demographics. A younger demographic adopting new trend is driving demand for western clothing.

Domestic apparel players include FabIndia, Manyavar, Biba, Soch, Jashn, Chemistry, AND, Monte Carlo, Numero Uno, Reliance Trends, Pantaloons and Fashion Bazaar. Domestic players have entered into marketing tie-ups with popular foreign brands. India is the preferred destination for many global brands such as Zara, Gap, Marks & Spencer, Bossini, Giordano, US Polo Association, Manchester United, Mango, H&M, Tommy Hilfiger, Cherokee, Dorothy Perkins, Dickies, etc. All global major brands and chain stores are sourcing from India.

#### ***India's consumer market***

India's market is consumer-driven, owing to its huge 1.2 billion population. The Indian consumer segment is broadly divided into rural and urban markets. Rapid growth and urbanization have brought a sea-change in the preferences of Indian consumers. This change in customer preferences is most apparent in the fashion apparel industry. Men have been the early-adapters of western-wear in India, with many preferring readymade garments since 1990s. The internet along with the fashion and lifestyle media has fuelled a growing awareness of global fashion trends. Thus, the typical middle class consumer is aware of the international styles and the lifestyle attributes associated with a brand, thus leading to significant growth of organized retail in India.

#### ***Current Trends***

Indian consumers are shifting from stitched apparel to ready-to-wear garments. More Indian consumers are desirous of buy branded clothes. Indian companies are partnering with luxury brands desiring to enter into India. There is a growing demand for organic and environment-friendly fibres. Textile companies are strengthening their forward and backward operations through mergers and acquisitions.

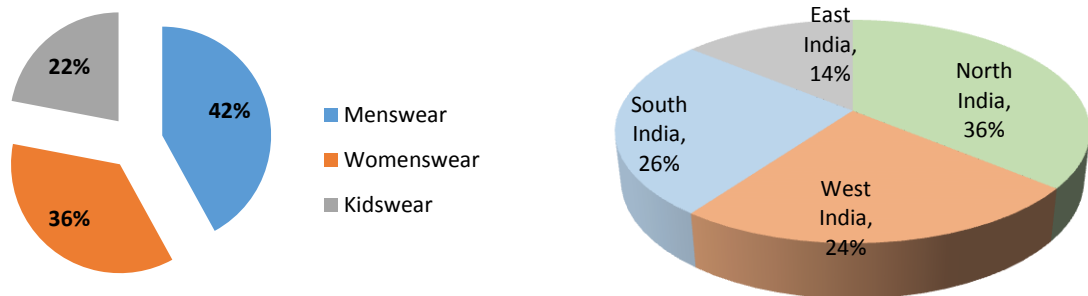
#### ***Discretionary vs. Non-Discretionary Spending in India***

According to VISA Affluent Survey, 2014, India comes second only to China in discretionary spending. As many as 60 % of affluent consumers in India, plan to increase their discretionary spend in the coming year. On an average, around nine among 10 affluent Indians indulge in ₹ 25,000 monthly on discretionary spending on dining, night-outs, holidays and purchasing designer apparel. Among them, 92 % is spent on fine dining, 80 % on designer clothes, 79 % spent on family holidays and 68 % spent on jewellery.

### Market Segments

The Indian branded apparel industry consists of Men's-wear, Women's-wear and Kid's-wear. Branded apparel consumption is the highest in North India, followed by South India. Among the segments, branded apparel penetration is highest among men's formal wear and women's western wear.

### Indian branded Apparel industry segmentation & region wise split of apparel consumption



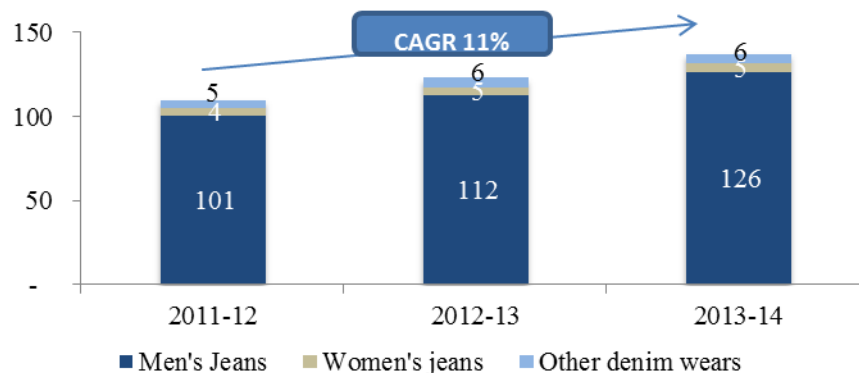
### OVERVIEW OF INDIAN DENIM INDUSTRY

Denim is a fabric that is never expected to go out of fashion. There are various cuts in denims available such as Classic, Boy Friend, Boot-cut Style, Cargo, Chino Pants, Denim Shorts and Fantastic Flare. Denim manufacturers are also coming up with variations such as water-repellent denims, abrasion-resistant denims, jeans from recycled plastic bottles, denims woven with advanced thermos-regulating fibres, etc.

The denim manufacturing capacity across the world is estimated to be of 7.7 billion metres, with over 70% of production coming from Asia. China is the largest denim fabric manufacturer with capacity of close to 3 billion metres, followed by India having a capacity of over 1 billion metres. Other key denim manufacturing countries are Pakistan, Bangladesh, Turkey and USA.

The domestic market for denim wear is estimated to be 328 million pairs worth at ₹ 137 billion for 2013-14. 95% of this demand is for jeans bottoms. Out of the total demand for jeans bottoms the market for men's wear is 95% at ₹ 126 billion while the market for women's jeans is limited at just ₹ 5 billion. The market is growing at 11% per annum with a volume growth of 8%.

Domestic Market size of denim (₹ billion)



The total denim manufacturing capacity in India is pegged at one billion metres close to 630 metres of which caters to domestic demand. Another 108 million metres are exported as fabric and garment from India. The capacity utilization of the denim industry is estimated to be 74%.

### Export-Import Trends



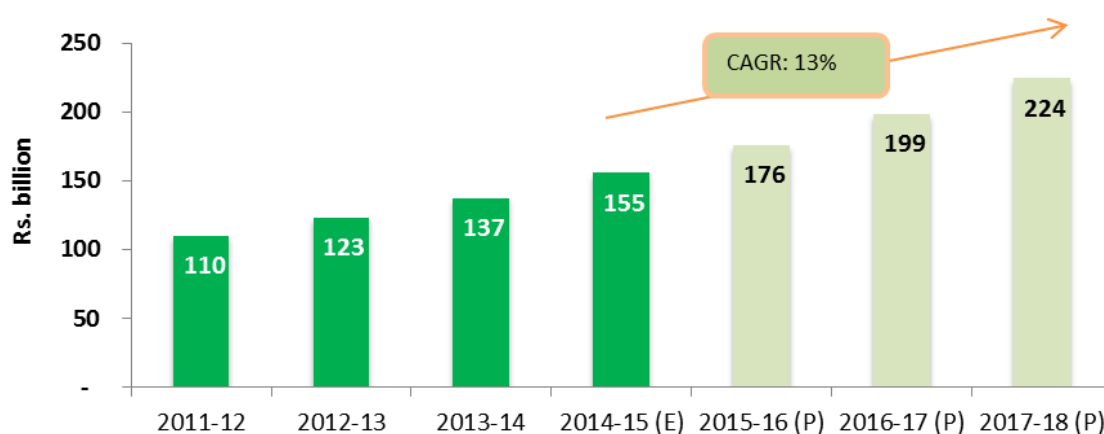
The export of denim fabric has seen a rapid growth in the three years growing at 30% year on year and is estimated at ₹ 19 billion for 2013-14. The key importing countries are Bangladesh, Turkey and Sri Lanka. Indian denim imports are 10.67 million sq. metres valued at ₹ 1.8 billion growing at 7% CAGR. The key countries supplying to India are Pakistan, China and Turkey.

## GROWTH FORECASTS

### Denim

Based on the assessment of the current market for denims and casual wears and the movement of different growth drivers, it is expected that denim industry would grow at around 13% per annum in line with the clothing industry of India. The total domestic denim market is expected to reach ₹ 224 billion in 2017-18. While the men's segment is expected to grow at 13%, the women segment is expected to grow at a faster rate of 15%, as more and more women opt for western dresses in metros as well as tier I and tier II cities.

Growth prospects for denim



## COMPETITIVE SCENARIO AND MAJOR PLAYERS

India is a key manufacturer of denim fabric with capacity of one billion MMA. The majority of the production caters to the domestic market which is characterised by presence of strong brands like Levi's, Lee, Numero Uno, Spykar, Killer and Pepe among others.

The market is highly competitive with a major chunk belonging to the organised retail. India being a highly price sensitive market, the denim industry is also structured in a way to cater all price ranges.

## KEY POLICIES

Government has taken several initiatives to boost the textile and clothing sector. Some of key initiatives are as follows:

### Sector Policy

- **FDI Policy:** 100% FDI is allowed under the automatic route in the textile sector; investment is subject to all applicable regulations and laws.
- **TUFS** has infused investment of more than ₹ 2,500 billion in the industry. Support has been provided for modernisation and up gradation by providing credit at reduced rates and capital subsidies.
- **Scheme for Integrated Textile Parks** provides world class infrastructure to new textile units. To date, 57 Textile Parks have been sanctioned with an investment of ₹ 60 billion. By 2017, 25 more Textile Parks are to be sanctioned.

- **Integrated Processing Development Scheme** for sanctioning processing parks has been initiated. ₹ 5 billion has been earmarked for this scheme.
- **Integrated Skill Development Scheme** has provided training to 1.5 million people to cover all sub-sectors of textiles such as Textile and Apparel, Handicrafts, Handlooms, Jute and Sericulture.
- **FDI in retail:** 100% FDI in single brand retail and 51% in multi brand retail are expected to provide a boost to the local manufacturing and textile sector. However, as most of the international brands in India have entered mostly through JVs because of its many advantages, a similar trend is expected to continue despite 100% FDI in single brand retail.

## SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGIES

### OVERVIEW

Número Uno is one of India's leading jeanswear brands built over 25 years (*Source: IMAcS Indian Clothing Industry Report, 2015*) with a comprehensive casualwear product range. We have an extensive distribution network with 185 exclusive stores, 23 LFS and 38 Hypermarkets in addition to over 500 retail outlets pan-India. Our manufacturing facilities are augmented by our dedicated in-house design and product development team. Our Company's core competency lies in our deep understanding of our customers' buying preferences and behavior over two decades across the Indian market.

Our Company is led by a first generation entrepreneur Narinder Singh Dhingra, who with a vision of creating a jeanswear brand at par with leading international brands, entered the apparel business of manufacturing and wholesaling jeanswear under the brand name "Número Uno". For the complete details of the history of our Company, please refer to the chapter titled "History and Certain Corporate Matters" on page 152 of this Draft Red Herring Prospectus.

Número Uno is our flagship brand. We primarily cater to Mid- Premium to Premium branded apparel segment for men and women offering a diverse product range which, among others, includes jeans, trousers, shirts, jackets, blazers, sweaters, T-shirts, sweatshirts, shorts, etc. We also offer an extensive range of accessories such as the complete range of footwear, belts, wallets, scarves, perfumes and deodorants. Our production activities are mainly carried on in accordance with the 'Make to Order' policy. Since Fiscal 2006 till Fiscal 2015, our Company has sold over 120 lac units pan India.

We serve our pan-India customers through a range of channels such as retail, wholesale and e-commerce. Our comprehensive distribution approach includes Company Owned Company Operated (COCO) stores; Franchisee operated Exclusive Brand Outlets (EBOs), Multi Brand Outlets (MBOs), Large Format Stores (LFS), Hypermarkets and multiple e-commerce platforms. To ensure better visibility and maximum footfalls, our stores are situated at highstreets, malls, mini malls at prominent locations in major metros, mini-metros, large cities and other Tier II and Tier III cities. We believe that this strategy has enabled us to develop a strong brand loyalty of our brand 'Número Uno'.

As on March 31, 2015, we are present through 25 COCO stores, 160 Franchisee Operated EBO's, 528 MBO's, 23 LFS and 38 Hypermarkets. Our extensive retail and wholesale network is spread across 288 cities pan-India. We have also entered into distribution agreements with some of the leading e-commerce platforms such as Myntra amongst others. In addition, pursuant to our growth plans, we have also executed 9 LOIs/ MoUs and 3 agreements to open new COCO stores at various locations across India.

We have two manufacturing facilities located at Gurgaon, Haryana and Selaqui, Uttarakhand. We commenced our commercial production at Gurgaon and Selaqui in the years 2006 and 2007 respectively. We operate through specialised machineries which we believe differentiates us from most of the other players. Pursuant to our growth plans, we are in process of shifting the entire manufacturing operations to Selaqui from Gurgaon and product development and warehousing to Manesar from Gurgaon. We will derive significant benefits from shifting our manufacturing facility including: reduced rent, lower energy costs and lower operating costs.

Our Company also has a dedicated in-house design and merchandising team of 70 members who develop and create styles that meet the latest fashion trends. We believe this differentiates us from other players in the Industry as each of our manufacturing activity is sourced, conceptualised and designed from these in-house team of professionals. This has helped us to emerge over the years as one of the leading indigenous manufacturer of jeans and casual wear in India.

Our design studio consists of in-house designers, merchandisers, pattern makers and sample makers, who keep pace with international trends and add innovative features to our products through their creativity and market intelligence gained by visiting international fashion markets subscribing to global fashion trend forecasting websites as well as fashion magazines and journals etc. Our design studio is equipped with latest software and requisite hardware like digitizer, pattern grader, sampling, sample analyzer and specialized sewing machines that allow us to launch the latest fashion trends into the market. Further, with the help of machineries sourced from Jeanologia, it gives our design team a technical advantage to develop designs based on its technology. We believe that our continued collaboration between design and merchandising teams, well-established product development & production teams supported by firm processes ensures that we respond to consumer preferences

and market trends with new innovative product offerings while maintaining our core fashion foundation.

As on March 31, 2015, we had a total workforce of 592 including 7 management personnel, 9 senior executives, 107 managerial and supervisory staff, 61 administrative and COCO store staff, 284 skilled/semi-skilled and unskilled workers and 124 contract labourers.

Pursuant to our growth strategy, we have strengthened our direct interaction with our end consumers as demonstrated by the growth in our COCO stores, the first of which was opened in the June 2013 and has increased to 25 by March 2015.

Our Company's total revenues, as restated on a consolidated basis, for the year ended March 31, 2015, March 31, 2014 and March 31, 2013 were ₹ 15,307.92 lacs, ₹ 14,076.19 lacs and ₹ 13,234.69 lacs respectively. Our Company's restated net profit after tax on a consolidated basis, for the year ended March 31, 2015, March 31, 2014 and March 31, 2013 were ₹ 1,478.46 lacs, ₹ 1,253.23 lacs and ₹ 812.75 lacs respectively which has grown at a CAGR of 32.88% for the last 5 years.

As on March 31, 2015, our top 10 suppliers contributed 49.25% of our total purchases and our top 10 customers contributed 38.17% of our total revenues.

As on the date of this Draft Red Herring Prospectus, our Promoter and Promoter Group hold 72.66% while 25.11% is held by AA Development Capital India Fund 1, LLC.

### **Competitive Strengths**

We believe that we are well-positioned to maintain our status as one of the leading indigenous manufacturers and retailers of branded apparels in India as well as to pursue significant growth opportunities in the expanding market for branded apparels and accessories. We believe that the following are our principal competitive strengths, which differentiate us from other players in apparel manufacturing and retailing industry.

#### **➤ *One of the leading apparel brands with a long standing market presence***

Numero Uno has, over a period of 25 years, emerged as a well-established national brand in the Mid-Premium and Premium branded apparel segment for men and women. We believe that the quality, consistency and design of our products driven by our firm manufacturing and quality assurance processes have helped us to create a brand that our customers associate with high quality, fashion and comfort. In the last two decades, we have launched a comprehensive range of jeans and casualwear under our 'Numero Uno' brand. Our brand image is enhanced not only by integrating marketing and customer relation campaigns but also through our retail and merchandising strategies which has enabled us to identify and differentiate our brand from others. Our Company has been awarded a Certificate of Excellence for "Smart Innovation" by Inc. India Magazine on January 29, 2015, Brand Vision India 2020 award for "Visionary of India 2014-2015" by Nexbrands and the Fashion and Lifestyle Excellence award for the "Most Admired Menswear Brand of the Country".

#### **➤ *One of the leading integrated indigenous manufacturer and retailer of branded apparels in India***

We are one of the leading integrated indigenous manufacturers of jeans and casualwear in India. Our Company's core competency lies in our deep understanding of our customers buying preferences and behavior over two decades across the Indian market. We have a dedicated in-house design and merchandising team of 70 members who develop and create styles that meet the latest fashion trends. Additionally, we have dedicated team of professionals for production, marketing and selling our products under the brand Numero Uno. Each set of professionals under these various business heads not only help us devise a strategy for the next season, but also to implement the same to build a strong brand loyalty of our brand 'Numero Uno'. We believe, being an integrated indigenous manufacturer, we have a competitive advantage to customise our products with variations as per specific requirements and even manufacture and deliver smaller quantities as per our 'Make to Order' policy.

We believe this differentiates us from other players in the Industry as each of our manufacturing activity is sourced, conceptualised and designed from these in-house team of professionals which has helped us to emerge as one of the few indigenous players in India.

Our manufacturing process is also supplemented by machines that have been sourced from Jeanologia, Spain

like (i) G2T textile processing machine that is used for bleaching without chemicals that helps us consume minimal amount of water; (ii) Flexi 150 and Flexi -250 laser machines that are used for creating patterns by taking colour off at selected places from the apparels through a dry process; (iii) E Soft machine (eco- wash machine) which uses nano bubble technology for washing clothes resulting in minimal usage of water. All of these machines are environment friendly which help reduce our water consumption, time, manual intervention and more importantly the use of chemicals in the manufacturing process.

➤ ***Extensive exclusive distribution network***

We have an extensive distribution network with 185 exclusive stores, 23 LFS and 38 Hypermarkets in addition to over 500 retail outlets pan-India. We use a multi-pronged distribution setup of COCO stores, Franchisee operated EBOs, MBOs, LFS, Hypermarkets and various e-commerce vendors. To ensure better visibility and maximum footfalls, our stores are situated at highstreets, malls, mini malls at prominent locations in major metros, mini-metros, large cities and other tier II and tier III cities. These locations are selected based on buying patterns, geographic and demographic criteria that can accommodate our entire product range.

As on March 31, 2015, we are present through 25 COCO stores, 160 Franchisee operated EBO's, over 500 MBO's, 23 LFS and 38 Hypermarkets. Our extensive retail and wholesale network is spread across 288 cities pan-India. In addition, we have also entered into distribution agreements with some of the leading Indian digital commerce platforms for sale of our products online. In addition, pursuant to our growth plans, we have also executed 9 LOIs/ MoUs and 3 agreements to open new COCO stores at various locations across India. For further details, please refer to the chapter titled "*Objects of the Issue*" on page 81 of this Draft Red Herring Prospectus.

We also exercise control over our distribution channels for example, selecting and leasing the locations to be used for our franchised EBOs, defining layouts, fit-outs and fixtures to be adopted at all of the Franchisee operated EBOs and providing our dealers, distributors and franchisees with marketing, training and supervisory support.

➤ ***Comprehensive product range and personalized shopping experience***

We believe that our stores offer a personalised, service-oriented shopping experience in an aesthetic that reflects the nature of our brand. We have a comprehensive portfolio of product offerings in jeanswear, casualwear and accessories which meets the needs of our consumers under one roof. We believe that our comprehensive product range not only helps us increase our penetration in the metros, mini-metros and large cities but also to expand our presence in the tier II and tier III cities in India. We believe that our wide range of products with diverse price points for Premium, Mid-Premium and economy segments makes us an established brand poised to capitalize on growth opportunities in the branded apparel industry. Our diverse range of products for winter collection includes jackets, sweaters, blazers, scarves etc. and our all – year collection includes denims, shirts, trousers, t-shirts, cargos, linen apparel etc. Such a comprehensive range helps us promote cross promotional sales whereby our customer's buying behaviour leads us to anticipate the potential sale from our other product-mix. We believe our approach of presenting a portfolio of products for diversified customer profiles has helped us enhance our growth and will continue to support the development of brand loyalty among consumers.

➤ ***Strong in-house design capabilities and techniques***

Our Company's core competency lies in our deep understanding of our customers buying preferences and behavior over two decades across the Indian market. We believe that we have a competitive advantage due to our dedicated in-house design and merchandising team and our firm manufacturing facilities for our product categories. Design development and sampling forms an integral part of our Company's operations and is considered as an effective tool for converting customer's need into a product. We have a team of professionals from reputed fashion design institutes who are supported by the latest technology for developing products and styles which are based on prevalent fashion trends. This helps us keep pace with international trends and also to add innovative features to our products by visiting international fashion markets.

Our design studio also holds a knowledge bank of styles, innovations, customer salience, raw materials performance, fits and fits trials data, reasons for underperformance, etc. and it is invaluable in the development of our products. New designs are developed on a regular basis to add to our library of designs, concepts, features, material specifications and product specifications. We believe this differentiates us from other players in the Industry as each of our manufacturing activity is sourced, conceptualised and designed from these in-

house team of professionals which has helped us to emerge as a leading indigenous manufacturer of jeans and casual wear in India. We have over 70 professionals in our design, development and merchandising department dedicated to developing new products, improving existing ones and forecasting fashion trends.

Further, we currently have two in-house manufacturing facilities at Gurgaon, Haryana and Selaqui, Uttarakhand which are equipped with the latest technology and infrastructure.

➤ ***Integrated systems and processes***

We have implemented a customised Enterprise Resource Planning (“ERP”), software system developed by SAP with various modules viz., (i) FICO (Finance & Control) (ii) MM (Material Management) (iii) SD (Sales & Distribution) (iv) PP (Production & Planning) at our Registered Office, manufacturing facilities and warehousing facilities. This helps us scale up our operations faster without disruption to further enhance our logistics and supply chain.

In addition, we have also implemented Point of Sale (POS) Software known as “LOGIC” at our COCO stores and Franchisee operated EBOs. This enables us to receive complete information on our customers taste and preferences, stock and sales of the POS location along with article details which also assists with data analysis and trends. In view of the anticipated growth in our operations, stores and locations, we further plan to upgrade our IT infrastructure to ensure adequate support to the growth in our operations. Such integrated systems and processes coupled with our strong internal and external control mechanisms, facilitate our management and personnel to take informed decisions to monitor inventories, supply chain, consignment status etc. of all products, locations and divisions across India in a more efficient manner.

Our Company has also installed Business Intelligence Tool (“BI Tool”) software which provides us a detailed analysis of the integrated data extracted out of SAP and LOGIC. In addition to the above, our COCO stores and Franchisee operated EBOs are also facilitated with a Customer Relationship Management Software (“CRM”) “Capillary” sourced from Capillary Technologies India Private Limited, where we store all the personal information of our customers in order to create a strong customer database for regular interaction with our customers required for running an effective loyalty programme.

➤ ***Experienced management and Key Managerial Personnel***

We have an experienced management team led by our Chairman and Managing Director, Narinder Singh Dhingra who has over 30 years’ experience in the branded apparel industry and we benefit immensely from their expertise. Our management and their understanding of the industry trends, fashion, demands and market changes have been instrumental in the success of the ‘Numero Uno’ brand amongst our customers. We believe that the experience and relationships that our management team has, have enabled us to extend our operating capabilities, improved the quality of our products and facilitated our brand equity. We believe we also have a strong second line of management and an experienced pool of key managerial personnel, who have possess requisite skills, experience, technical know-how and understanding of the industry and complete control over quality of the products.

**Business Strategy**

➤ ***Strengthening our pan India presence***

Currently, most of our COCOs, EBOs and MBOs are situated in the northern region of India. We are expanding to other geographies through MBOs, LFS, Hypermarkets and e-commerce platforms. All of these distribution channels are helping us become a national brand with pan-India presence. Growing aspiration levels of people in Tier II, III and IV cities coupled with rising brand awareness, makes these smaller urban areas as focal points for our expansion. Pursuant to our growth strategy and to further deepen our presence in the hitherto underserved markets, we intend to open 84 new COCO stores, besides expanding our other distribution channels. As on March 31, 2015, we have executed 9 LOIs/MoUs and 3 agreements, for opening new COCO stores in various cities of 21 states in highstreets, malls, mini malls.

➤ ***Enhancing existing processes and improving operational efficiencies***

Our Company believes in making investments for continuously achieving higher levels of excellence in its products. This allows us to exercise due control over our manufacturing costs supplemented with fine quality of

our products. Our Company has invested in specialised equipments that have been sourced from Jeanologia, Spain like (i) G2T textile processing machine that is used for bleaching without chemicals that helps us consume minimal amount of water; (ii) Flexi 150 and Flexi -250 laser machines that are used for creating patterns by taking colour off at selected places from the apparels through a dry process; (iii) E Soft machine (eco- wash machine) which uses nano bubble technology for washing clothes resulting in minimal usage of water. All of these machines are environment friendly which help reduce our water consumption, time, manual intervention and more importantly the use of chemicals in the manufacturing process.

Further, we have been allotted approximately 8,059.30 square meters of land for our Selaqui facility. Pursuant to our growth plans, we intend to enhance our existing manufacturing base by adding various machineries for which we have received price quotations from various vendors. In addition, we have started constructing an ETP plant to recycle the waste water discharged during the washing activity. Such addition of specialised equipments helps us achieve better economies of scale. For more information on our proposed project, see chapter titled “*Objects of the Issue*” on page 81 of this Draft Red Herring Prospectus.

➤ ***Focusing on inorganic growth***

Pursuant to our growth strategy, the strategic investments and acquisitions of businesses in our industry may further play a major role to grow our business. We believe that our efforts at diversifying into new segments of the branded apparel industry or into new domestic markets can be facilitated by investing in similar business opportunities or acquiring established brands or businesses with market share or growth potential, whose operations, resources, capabilities and strategies are complementary to our Company. As on the date of this Draft Red Herring Prospectus, we have not identified any strategic investment or acquisition opportunities and we seek to enter into any such acquisition on an opportunistic basis.

Further, we are also targeting to grow our present scale of operations by not only manufacturing and retailing through our extensive distribution network but also partner with several international brands to manufacture and market their products in India. Though, as on the date of this Draft Red Herring Prospectus, we have not identified any particular international brand(s) for this purpose, such association will enable these international brands to leverage our strength in manufacturing and distribution to expand their presence in India.

➤ ***Enhancing our brand value***

We will continue to enhance better visibility of our brand with maximum footfalls in our stores through our marketing efforts and planned retail expansion. Our Company’s core competency lies in our deep understanding of our customers buying preferences and behavior which helps us to secure customer loyalty. We endeavor to continuously improve the product-mix offered to our customers as well as strive to understand and anticipate their future requirements and cater to such needs. We seek to seize market opportunities by continuing to allocate significant resources to enhance our brand Numero Uno. Our marketing plan includes advertising through various channels such as print, electronic and social, television campaigns, endorsements by well-known Indian personalities besides visual merchandising. Along with establishing our own exclusive e-commerce platform, we are also striving to partner with other leading e-commerce vendors and their associates to market and promote our brand. In addition, we also participate in college and university festivals and also conduct road shows specifically targeting the youth and in the future we are also targeting conducting as well as participating in fashion events. Pursuant to our business strategy, we will continue to expand our network by opening new COCO stores and Franchisee operated EBOs at various locations across India. We believe that such scalability in our business provides us better visibility and market share across India.

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

We intend to complement our capabilities in retailing through COCO stores, Franchisee operated EBOs, MBOs, LFS, Hypermarkets with retailing through e-channels. We have established an online portal under our website “www.numerounostore.com” to tap the growing online shopping experience. We intend to develop the e-commerce and online retail business to provide us with additional channels of reaching out to our customers. We believe that the growing internet penetration in Indian cities, especially Tier-II and Tier-III cities has increased the potential of growth in the e-commerce and online shopping markets. We intend to adopt a “*brick and click*” model (which integrates both offline and online presence), by leveraging on our existing back-end logistics infrastructure and sourcing capabilities. We believe developing and expanding the online space may further attract the attention of our targeted customers which can be converted into footfalls in our stores. We believe that foraying into online retail business will assist us to increase and diversify our customer base.

## SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial statements derived from our restated standalone and consolidated financial information for and as of Fiscals 2015, 2014, 2013, 2012 and 2011. These financial statements have been prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the Companies Act and the SEBI ICDR Regulations and are presented in the chapter titled “*Financial Statements*” on page 180 of this Draft Red Herring Prospectus. The summary financial statements presented below should be read in conjunction with our Restated Financial Statements, the notes and annexures thereto and the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 304 of this Draft Red Herring Prospectus.

### SUMMARY OF STANDALONE STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Particulars	Annexure	(Amounts in ₹ in lacs)				
		As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>(1) Equity and Liabilities</b>						
<b>Shareholders’ funds</b>						
(a) Share capital	VI	4,673.40	934.68	934.68	934.68	934.68
(b) Reserves and surplus	VII					
- Securities premium		-	3,133.00	3,133.00	3,133.00	3,133.00
- General reserve		-	147.92	64.28	-	-
- Surplus in statement of profit and loss, as restated		5,102.37	4,194.58	3,392.20	2,827.78	2,267.50
<b>(2) Non-current liabilities</b>						
Long- term borrowings	VIII-A	95.61	18.84	37.46	9.46	35.80
Other long-term liabilities	IX	341.18	309.19	223.00	196.18	206.92
Long-term provisions	X	222.95	149.89	138.26	128.69	113.71
<b>(3) Current liabilities</b>						
Short-term borrowings	VIII-B	2,178.42	2,114.60	2,770.32	2,407.09	2,382.64
Trade payables	XI	1,072.27	1,262.00	994.23	883.65	900.50
Other current liabilities	XII	513.70	334.92	298.60	487.42	773.17
Short-term provisions	X	562.49	537.90	381.81	419.59	395.83
<b>Total</b>		<b>14,762.39</b>	<b>13,137.52</b>	<b>12,367.84</b>	<b>11,427.54</b>	<b>11,143.75</b>
<b>Assets</b>						
<b>(4) Non-current assets</b>						
(a) Fixed assets	XIII					
- Tangible fixed assets		2,026.56	2,088.65	2,145.10	2,172.78	2,082.82
- Intangible fixed assets		47.69	93.65	63.13	109.23	78.00
- Capital work in progress		478.23	42.09	44.00	29.79	50.19
(b) Non-current investments	XIV	704.99	704.99	704.99	704.99	704.99
(c) Deferred tax assets (net)	XV	338.37	233.69	212.73	170.27	118.55
(d) Long-term loans and advances	XVI	386.78	377.88	315.30	424.78	404.14
(e) Other non-current assets	XVII	15.30	24.25	22.43	20.37	18.04
<b>(5) Current assets</b>						
(a) Inventories	XVIII	3,388.13	3,446.47	2,903.72	3,376.15	3,336.79
(b) Trade receivables	XIX	7,148.27	6,008.10	5,688.69	4,237.97	4,141.00
(c) Cash and bank balances	XX	39.94	21.24	78.55	40.18	23.46
(d) Short-term loans and advances	XVI	188.13	96.51	189.20	141.00	185.53
(e) Other current assets	XXI	-	-	-	0.03	0.24
<b>Total</b>		<b>14,762.39</b>	<b>13,137.52</b>	<b>12,367.84</b>	<b>11,427.54</b>	<b>11,143.75</b>

To be read together with summary of significant accounting policies and notes to accounts in our standalone financial information available at “*Financial Statements – Annexure V: Significant Accounting Policies*” on page 193 of this Draft Red Herring Prospectus.



**SUMMARY OF STANDALONE STATEMENT OF PROFIT AND LOSS, AS RESTATED**

*(Amounts in ₹ in lacs)*

Particulars	Annexure	For the year	For the year	For the year	For the year	For the year
		ended 31 March 2015	ended 31 March 2014	ended 31 March 2013	ended 31 March 2012	ended 31 March 2011
Revenue from operations	XXII	15,138.71	13,535.81	13,087.53	11,003.29	9,820.19
Other income	XXIII	97.09	78.94	123.37	96.03	200.44
<b>Total revenue (A)</b>		<b>15,235.80</b>	<b>13,614.75</b>	<b>13,210.90</b>	<b>11,099.32</b>	<b>10,020.63</b>
<b>Expenditure:</b>						
Cost of materials consumed	XXIV-A	3,445.94	3,543.40	3,110.64	3,124.76	3,006.08
Purchases of stock-in-trade	XXIV-B	3,328.26	3,055.87	3,366.25	1,894.92	1,132.35
Changes in inventories of finished goods, work-in -progress and stock-in-trade	XXIV-C	14.03	(460.12)	138.85	(406.48)	(238.78)
Employee benefits	XXV	1,671.50	1,411.49	1,383.92	1,463.89	1,311.49
Finance costs	XXVI	414.82	409.53	432.19	400.45	230.18
Depreciation and amortisation expense	XXVII	571.51	376.66	437.38	447.34	433.20
Other expenses	XXVIII	3,528.46	3,575.75	3,079.26	3,120.20	3,340.67
<b>Total expenses (B)</b>		<b>12,974.52</b>	<b>11,912.58</b>	<b>11,948.49</b>	<b>10,045.08</b>	<b>9,215.19</b>
<b>Profit before exceptional items and tax, as restated (C) = (A) - (B)</b>		<b>2,261.28</b>	<b>1,702.17</b>	<b>1,262.41</b>	<b>1,054.24</b>	<b>805.44</b>
<b>Exceptional item</b>						
Profit on transfer of business		-	-	-	-	125.15
<b>Profit before tax and after exceptional item, as restated (D)</b>		<b>2,261.28</b>	<b>1,702.17</b>	<b>1,262.41</b>	<b>1,054.24</b>	<b>930.59</b>
<b>Provision for tax</b>						
Current tax		887.76	618.40	458.88	437.07	391.00
Deferred tax charge/ (credit)		(104.68)	(20.96)	(42.44)	(51.74)	(65.67)
Wealth tax		-	-	-	-	0.82
<b>Total tax expense/ (credit) (E)</b>		<b>783.08</b>	<b>597.44</b>	<b>416.44</b>	<b>385.33</b>	<b>326.15</b>
<b>Profit after tax, as restated (F) = (D) - (E)</b>		<b>1,478.20</b>	<b>1,104.73</b>	<b>845.97</b>	<b>668.91</b>	<b>604.44</b>

To be read together with summary of significant accounting policies and notes to accounts in our standalone financial information available at “*Financial Statements – Annexure V: Significant Accounting Policies*” on page 193 of this Draft Red Herring Prospectus.

**SUMMARY OF STANDALONE STATEMENT OF CASH FLOWS, AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
<b>A) Cash flow from operating activities:</b>					
Net profit before tax, as restated	2,261.28	1,702.17	1,262.41	1,054.24	930.59
<b>Adjustments for :</b>					
Depreciation and amortisation	571.51	376.66	437.38	447.34	433.20
Finance cost	414.82	409.53	432.19	400.45	230.18
Interest income	(52.67)	(47.65)	(78.69)	(48.53)	(38.54)
Exceptional item- profit on transfer of business	-	-	-	-	(125.15)
Unrealised foreign exchange fluctuation (net)	0.19	-	-	-	-
(Profit)/loss on sale of fixed assets	3.63	1.27	14.73	5.80	13.15
<b>Operating profit before following adjustments :</b>	<b>3,198.76</b>	<b>2,441.98</b>	<b>2,068.02</b>	<b>1,859.30</b>	<b>1,443.43</b>
<b>Adjustments for :</b>					
(Increase) in trade receivables	(1,140.17)	(319.42)	(1,436.41)	(225.31)	(1,061.09)
(Increase)/decrease in loan and advances and other current assets	(85.41)	29.26	59.25	22.16	(433.27)
(Increase)/ decrease in inventories	58.30	(542.74)	491.12	54.41	(1,406.45)
Increase/ (decrease) in trade payables	(189.94)	299.21	100.16	(45.24)	506.27
Increase/ (decrease) in other current liabilities and provisions	243.88	141.14	31.88	(179.93)	342.03
<b>Cash Generated from operations</b>	<b>2,085.42</b>	<b>2,049.41</b>	<b>1,314.02</b>	<b>1,485.39</b>	<b>(609.08)</b>
Taxes paid (net)	(832.09)	(501.78)	(586.96)	(443.58)	(297.18)
<b>Net cash from operating activities (A)</b>	<b>1,253.33</b>	<b>1,547.65</b>	<b>727.06</b>	<b>1,041.81</b>	<b>(906.26)</b>
<b>B) Cash flow from investing activities:</b>					
Purchase of fixed assets	(938.02)	(358.24)	(409.41)	(578.99)	(540.30)
Sale of fixed assets	28.61	8.20	16.82	25.06	30.41
Investment in subsidiary	-	-	-	-	(4.99)
Interest income	52.67	47.65	23.82	10.15	38.54
Bank deposit (more than 3 months)	(2.77)	12.87	(12.87)	-	-
<b>Net cash used in investing activities (B)</b>	<b>(859.51)</b>	<b>(289.52)</b>	<b>(381.64)</b>	<b>(543.78)</b>	<b>(476.34)</b>
<b>C) Cash flow from financing activities:</b>					
Proceeds from working capital loan (net)	79.47	(622.72)	363.23	24.45	1,773.27
Repayment of unsecured loan	(15.65)	(33.00)	-	-	(2.00)
Proceeds from long term borrowings	201.26	5.38	58.82	-	-
Repayment of long term borrowings	(124.50)	(23.99)	(30.82)	(105.31)	(152.68)
Finance cost	(414.82)	(409.53)	(432.19)	(400.45)	(230.18)
Dividend paid	(93.47)	(186.94)	(248.63)	-	-
Tax on dividend	(19.14)	(31.77)	(30.33)	-	-
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(386.85)</b>	<b>(1,302.57)</b>	<b>(319.92)</b>	<b>(481.31)</b>	<b>1,388.41</b>
<b>D) Net increase / (decrease) in cash and</b>	<b>6.97</b>	<b>(44.44)</b>	<b>25.50</b>	<b>16.72</b>	<b>5.81</b>

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
cash equivalents (A+B+C)					
E) Cash and cash equivalents as at the beginning of the year	21.24	65.68	40.18	23.46	17.65
F) Cash and cash equivalents as at the end of the year	<b>28.21</b>	<b>21.24</b>	<b>65.68</b>	<b>40.18</b>	<b>23.46</b>
<b>Closing cash and cash equivalents comprise of</b>					
Cash in hand	4.03	7.62	2.66	1.53	0.48
Foreign currency in hand	0.30	0.33	0.15	-	-
Balances with banks					
-Current accounts	23.88	13.29	57.84	22.91	22.98
-Fixed deposit accounts with original maturity of three months or less other bank balance	-	-	5.03	15.74	-
	<b>28.21</b>	<b>21.24</b>	<b>65.68</b>	<b>40.18</b>	<b>23.46</b>

**Note:**

The cash flow statement has been prepared in accordance with 'Indirect method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statements' as per Companies Act, 2013.

**SUMMARY OF CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

*(Amounts in ₹ in lacs)*

Particulars	Annexure	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>(1) Equity and Liabilities</b>						
<b>Shareholders' funds</b>						
(a) Share capital	VI	4,673.40	934.68	934.68	934.68	934.68
(b) Reserves and surplus	VII					
- Securities premium		-	3,133.00	3,133.00	3,133.00	3,133.00
- General reserve		-	147.92	64.28	-	-
- Surplus in statement of profit and loss, as restated		4,704.04	3,795.99	2,845.11	2,313.91	2,137.26
<b>(2) Minority interest *</b>		0.00	0.00	0.00	0.00	0.01
<b>(3) Non-current liabilities</b>						
Long- term borrowings	VIII-A	95.61	18.84	37.46	9.46	35.80
Other long-term liabilities	IX	341.18	309.19	223.00	196.18	206.92
Long-term provisions	X	222.95	149.89	138.26	128.69	113.71
<b>(4) Current liabilities</b>						
Short-term borrowings	VIII-B	2,178.42	2,114.60	2,780.32	2,417.09	2,382.64
Trade payables	XI	1,004.88	1,283.00	996.66	933.54	900.49
Other current liabilities	XII	523.65	335.21	299.62	500.01	783.14
Short-term provisions	X	562.49	547.97	381.81	419.59	395.83
<b>Total</b>		<b>14,306.62</b>	<b>12,770.29</b>	<b>11,834.20</b>	<b>10,986.15</b>	<b>11,023.48</b>
<b>Assets</b>						
<b>(5) Non-current assets</b>						
(a) Fixed assets	XIII					
- Tangible fixed assets		2,045.11	2,120.72	2,184.27	2,220.90	2,167.99
- Intangible fixed assets		47.69	94.77	65.51	112.87	78.39
- Capital work in progress		478.23	42.09	44.00	29.79	50.19
(b) Deferred tax assets (net)	XIV	338.37	233.69	212.73	170.27	118.55
(c) Long-term loans and advances	XV	396.86	387.96	315.30	424.78	600.80
(d) Other non-current assets	XVI	15.30	24.25	22.43	20.37	18.04
<b>(6) Current assets</b>						
(a) Inventories	XVII	3,494.61	3,684.41	3,122.35	3,529.23	3,336.79
(b) Trade receivables	XVIII	7,259.97	6,015.41	5,721.18	4,294.31	4,438.50
(c) Cash and bank balances	XIX	42.25	67.17	81.56	42.45	28.46
(d) Short-term loans and advances	XV	188.23	99.82	64.87	141.15	185.53
(e) Other current assets	XX	-	-	-	0.03	0.24
<b>Total</b>		<b>14,306.62</b>	<b>12,770.29</b>	<b>11,834.20</b>	<b>10,986.15</b>	<b>11,023.48</b>

To be read together with summary of significant accounting policies and notes to accounts in our consolidated financial information available at “*Financial Statements – Annexure V: Significant Accounting Policies*” on page 257 of this Draft Red Herring Prospectus.

**SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS, AS RESTATED**

*(Amounts in ₹ in lacs)*

Particulars	Annexure	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Revenue from operations	XXI	15,209.88	13,993.55	13,101.90	11,013.14	9,820.19
Other income	XXII	98.04	82.64	132.79	101.64	200.44
<b>Total revenue (A)</b>		<b>15,307.92</b>	<b>14,076.19</b>	<b>13,234.69</b>	<b>11,114.78</b>	<b>10,020.63</b>
<b>Expenditure:</b>						
Cost of materials consumed	XXIII-A	3,445.95	3,770.85	3,110.64	3,238.88	3,006.09
Purchases of stock-in-trade	XXIII-B	3,241.72	3,126.38	3,465.04	1,683.67	1,132.35
Changes in inventories of finished goods, work-in-progress and stock-in-trade	XXIII-C	144.20	(476.58)	71.09	(336.36)	(238.77)
Employee benefits	XXIV	1,676.51	1,415.99	1,385.97	1,511.22	1,311.49
Finance costs	XXV	414.82	410.69	432.19	432.57	230.18
Depreciation and amortisation expense	XXVI	586.15	385.02	447.59	464.29	433.20
Other expenses	XXVII	3,537.03	3,594.17	3,092.98	3,253.24	3,345.75
<b>Total expenses (B)</b>		<b>13,046.38</b>	<b>12,226.52</b>	<b>12,005.50</b>	<b>10,247.51</b>	<b>9,220.29</b>
<b>Profit before exceptional items and tax, as restated (C) = (A) - (B)</b>		<b>2,261.54</b>	<b>1,849.67</b>	<b>1,229.19</b>	<b>867.27</b>	<b>800.34</b>
<b>Exceptional item</b>						
Less : Security deposit written off (D)		-	-	-	196.66	-
<b>Profit before tax and after exceptional item, as restated (E) = (C)-(D)</b>		<b>2,261.54</b>	<b>1,849.67</b>	<b>1,229.19</b>	<b>670.61</b>	<b>800.34</b>
<b>Provision for tax</b>						
Current tax		887.76	627.48	458.88	437.07	391.00
Less: MAT credit entitlement		-	(10.08)	-	-	-
Deferred tax charge/ (credit)		(104.68)	(20.96)	(42.44)	(51.74)	(65.67)
Wealth tax		-	-	-	-	0.82
<b>Total tax expense/ (credit) (F)</b>		<b>783.08</b>	<b>596.44</b>	<b>416.44</b>	<b>385.33</b>	<b>326.15</b>
<b>Net profit after tax as restated (before consolidation adjustments) (G) = (E) - (F)</b>		<b>1,478.46</b>	<b>1,253.23</b>	<b>812.75</b>	<b>285.28</b>	<b>474.19</b>
<b>Consolidation adjustments:</b>						
- Share of loss/ (profit) transferred to minority*		0.00	(0.00)	0.00	0.00	0.00
<b>Total of consolidation adjustments (H)</b>		<b>0.00</b>	<b>(0.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net profit after tax as restated (after consolidation adjustments) (I) = (G) + (H)</b>		<b>1,478.46</b>	<b>1,253.23</b>	<b>812.75</b>	<b>285.28</b>	<b>474.19</b>

To be read together with summary of significant accounting policies and notes to accounts in our consolidated financial information available at “Financial Statements – Annexure V: Significant Accounting Policies” on page 257 of this Draft Red Herring Prospectus.

**CONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED**

*(Amounts in ₹ in lacs)*

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>A) Cash flow from operating activities:</b>					
Net profit before tax	2,261.54	1,849.67	1,229.19	670.61	800.34
<b>Adjustments for :</b>					
Depreciation and amortisation	586.15	385.02	447.59	464.29	433.20
Finance cost	414.82	410.69	432.19	432.57	230.18
Interest income	(52.67)	(47.65)	(78.69)	(48.53)	(38.54)
Exceptional item- Security Deposit Written Off	-	-	-	196.66	-
Unrealised foreign exchange fluctuation (net)	0.20	-	-	-	-
Loss on sale of assets	3.63	1.27	14.73	28.43	13.15
<b>Operating profit before following adjustments :</b>	<b>3,213.67</b>	<b>2,599.00</b>	<b>2,045.01</b>	<b>1,744.03</b>	<b>1,438.33</b>
<b>Adjustments for :</b>					
(Increase)/Decrease in trade receivables	(1,244.54)	(294.23)	(1,407.33)	10.62	(1,061.09)
(Increase)/Decrease in loan and advances and other current assets	(82.20)	17.16	59.17	22.00	(433.22)
Decrease / (Increase) in inventories	189.80	(562.06)	425.56	(98.66)	(1,406.45)
(Decrease) / Increase in trade payables	(278.38)	192.39	160.48	12.51	511.33
Increase/ (Decrease) in other current liabilities and provisions	243.47	151.22	31.88	(179.93)	342.03
<b>Cash Generated/(used) in operations</b>	<b>2,041.82</b>	<b>2,103.48</b>	<b>1,314.77</b>	<b>1,510.57</b>	<b>(609.07)</b>
Taxes paid (net)	(832.11)	(501.78)	(586.97)	(443.60)	(297.18)
<b>Net cash Generated/(used) in operating activities (A)</b>	<b>1,209.71</b>	<b>1,601.70</b>	<b>727.80</b>	<b>1,066.97</b>	<b>(906.25)</b>
<b>B) Cash flow from investing activities:</b>					
Purchase of fixed assets	(938.02)	(358.24)	(409.41)	(584.76)	(540.30)
Sale of fixed assets	28.61	8.20	16.82	25.06	30.41
Interest income	52.67	47.65	23.82	10.15	38.54
Bank deposit (more than 3 months)	(2.77)	12.87	(12.87)		
<b>Net cash used in investing activities (B)</b>	<b>(859.51)</b>	<b>(289.52)</b>	<b>(381.64)</b>	<b>(549.55)</b>	<b>(471.35)</b>
<b>C) Cash flow from financing activities:</b>					
Proceeds from working capital loan (net)	79.47	(622.69)	363.23	24.45	1,773.26
Repayment of unsecured loan	(15.65)	(33.00)	-	-	(2.00)
Proceeds from long term borrowings	201.26	5.38	58.82	-	-
Repayment of long term borrowings	(124.50)	(23.99)	(30.82)	(105.31)	(152.68)
Finance cost	(414.82)	(410.69)	(432.19)	(432.57)	(230.18)
Dividend paid	(93.47)	(186.94)	(248.63)	-	-
Tax on dividend	(19.14)	(31.77)	(30.33)	-	-
Proceeds from issue of equity share capital	-	-	-	-	0.01
Proceeds from Unsecured loan	-	(10.00)	-	10.00	-

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
<b>Net cash (used in)/generated from financing activities (C )</b>	<b>(386.85)</b>	<b>(1,313.70)</b>	<b>(319.92)</b>	<b>(503.43)</b>	<b>1,388.41</b>
D) Net increase / (decrease) in cash and cash equivalents (A+B+C)	(36.65)	(1.52)	26.24	13.99	10.81
E) Cash and cash equivalents as at the beginning of the year	67.17	68.69	42.45	28.46	17.65
F) Cash and cash equivalents as at the end of the year	30.52	67.17	68.69	42.45	28.46
<b>Cash and cash equivalents</b>					
Cash in hand	4.33	7.90	2.66	1.53	0.48
Foreign currency in hand	0.30	0.33	0.15	-	-
Balances with banks					
-Current accounts	25.89	58.94	60.85	25.18	27.98
- Fixed deposit accounts with original maturity of three months or less	-	-	5.03	15.74	-
<b>Total Cash and cash equivalents</b>	<b>30.52</b>	<b>67.17</b>	<b>68.69</b>	<b>42.45</b>	<b>28.46</b>

**Note:**

The cash flow statement has been prepared in accordance with 'Indirect method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statements' as per Companies Act, 2013.

## THE ISSUE

The following table summarizes the Issue details:

<b>Issue</b>	[●] Equity Shares aggregating up to ₹ [●] lacs
<i>Consisting of:</i>	
Fresh Issue <sup>(1)</sup>	[●] Equity Shares aggregating up to ₹ 6,500 lacs
Offer for Sale <sup>(2)</sup>	Up to 84,00,000 Equity Shares aggregating up to ₹ [●] lacs
<i>Of which:</i>	
Offer for Sale by Narinder Singh Dhingra	Up to 16,00,000 Equity Shares
Offer for Sale by AADC	Up to 68,00,000 Equity Shares
<i>Offer to Public</i>	
<i>Of which:</i>	
<b>QIB Portion</b> <sup>(3)</sup>	[●] Equity Shares
<i>Of which:</i>	
Anchor Investor Portion	[●] Equity Shares
<b>Net QIB Portion</b> (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>Of which:</i>	
Mutual Fund Portion	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
<b>Non-Institutional Portion</b> <sup>(3)</sup>	Not less than [●] Equity Shares
<b>Retail Portion</b> <sup>(3)(4)</sup>	Not less than [●] Equity Shares
<b>Pre and post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	4,67,34,020 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
<b>Use of proceeds of this Issue</b>	See the chapter titled “ <i>Objects of the Issue</i> ” on page 81 of this Draft Red Herring Prospectus. Our Company will not receive any proceeds from the Offer for Sale.

<sup>(1)</sup>The Fresh Issue has been authorised by a resolution of the Board of Directors, dated February 03, 2015 and by a resolution of the shareholders of our Company in the EGM held on February 13, 2015.

<sup>(2)</sup> AADC is offering up to 68,00,000 Equity Shares as a part of the Offer for Sale pursuant to a resolution passed by its board of directors dated April 28, 2015 and Narinder Singh Dhingra is offering up to 16,00,000 Equity Shares as part of the Offer for Sale authorised pursuant to his letter dated April 27, 2015. The Equity Shares being offered by the Selling Shareholders in the Issue, have been held by them in accordance with regulation 26 (6) of the SEBI ICDR Regulations.

<sup>(3)</sup> Our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the ICDR Regulations. 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 made to Anchor Investors. For further details, please refer to the chapter titled “Issue Procedure” on page 384 of the Draft Red Herring Prospectus. In the event of under-subscription or non- Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion.

<sup>(4)</sup> Our Company and the Selling Shareholders may, in consultation with the BRLMs, offer a discount to Retail Individual Bidders (“Retail Discount”) in accordance with SEBI ICDR Regulations. The details of Retail Discount shall be disclosed in the Red Herring prospectus prior to filing it with the RoC.



## GENERAL INFORMATION

Our Company was incorporated as “Numero Uno Clothing Limited” on December 14, 2006 in Delhi, India under the Companies Act, 1956 with the ROC, National Capital Territory of Delhi and Haryana. Our Company received a certificate for commencement of business on March 23, 2007. The Corporate Identification Number of our Company is U18101HR2006PLC037533.

### Registered Office and Corporate Office of our Company

#### Numero Uno Clothing Limited

568/1, PMW Complex,  
Railway Road,  
Gurgaon – 122001  
Haryana, India

**Telephone:** +91 124 4555 222;

**Fax:** +91 124 4555 255;

**E-mail:** ipo@nucl.in

**Website:** www.numerounojeanswear.com

For details of change in name and Registered Office, please refer to the chapter titled “*History and Other Corporate Matters*” on page 152 of this Draft Red Herring Prospectus.

### Company Secretary and Chief Legal Officer cum Compliance Officer

#### Man Singh

568/1, PMW Complex,  
Railway Road,  
Gurgaon – 122001  
Haryana, India

**Telephone:** +91 124 4555 222;

**Fax:** +91 124 4555 255;

**E-mail:** ipo@nucl.in

### Chief Financial Officer

#### Rajesh Mittal

568/1, PMW Complex,  
Railway Road,  
Gurgaon – 122001  
Haryana, India

**Telephone:** +91 124 4555 222;

**Fax:** +91 124 4555 255;

### Address of Registrar of Companies

#### Registrar of Companies

#### National Capital Territory of Delhi and Haryana

4th Floor, IFCI Tower  
61, Nehru Place  
New Delhi - 110 019  
India

### Board of Directors of our Company

Set forth below are the details in respect of our Board of Directors as on the date of this Draft Red Herring Prospectus:

Name and DIN	Designation and nature of directorship	Address
Narinder Singh Dhingra <b>DIN:</b> 00025305	Chairman and Managing Director, Executive and Non – Independent	7, Hemkunt Colony, G.K.-1, Chirag Enclave, New Delhi – 110048, India
Rohini Singh Dhingra <b>DIN:</b> 00025401	Whole time Director, Executive and Non – Independent	7, Hemkunt Colony, G.K.-1, Chirag Enclave, New Delhi – 110048, India
Arun Kumar Jain <b>DIN:</b> 00756919	Non- Executive and Independent Director	D-1083, New Friends Colony, New Delhi, 110065, India
Hasmeeth Singh Uppal <b>DIN:</b> 01524487	Non- Executive and Independent Director	C-4/8, DLF Phase 1, Gurgaon, Gurgaon, Haryana-122001
Sanjeev Kapur <b>DIN:</b> 00348318	Non- Executive and Independent Director	GP-1/5A, Gurgaon One Apartments, Sector 22, Gurgaon, Haryana - 122015

For detailed profile of our Directors, please refer to the chapters titled “Our Management” and “Our Promoters and Group Entities” on pages 158 and 173 respectively, of the Draft Red Herring Prospectus.

### Selling Shareholders

The details of Selling Shareholders are set forth below:

Name	Details
AA Development Capital India Fund 1, LLC	A limited liability company incorporated under the laws of Republic of Mauritius and having its registered office at Cim Fund Services Ltd., 33, Edith Cavell, Port Louis, Republic of Mauritius
Narinder Singh Dhingra	<i>For details of Narinder Singh Dhingra, please refer to the chapter titled “Our Promoters and Group Entities” on page 173 of this Draft Red Herring Prospectus.</i>

### Book Running Lead Managers

#### Anand Rathi Advisors Limited

10th Floor, Trade Tower - D  
Kamala City, Senapati Bapat Marg  
Lower Parel  
Mumbai – 400013  
Maharashtra, India  
**Telephone:** +91 22 6626 6666  
**Facsimile:** +91 22 6626 6544  
**E-mail:** nucl.ipo@rathi.com  
**Investor Grievance E-mail:**  
grievance.ecm@rathi.com  
**Website:** www.rathi.com  
**Contact Person:** Chintan Hefa / Kunal Safari  
**SEBI Registration No.:** INM000010478

#### Motilal Oswal Investment Advisors Private Limited

Motilal Oswal Tower  
Rahimtullah Sayani Road  
Opposite Parel S.T Depot  
Prabhadevi, Mumbai – 400 025  
Maharashtra, India  
**Telephone:** +91 22 3980 4380  
**Facsimile:** +91 22 3980 4315  
**E-mail:** nucl.ipo@motilaloswal.com  
**Investor Grievance E-mail:**  
moiaplredressal@motilaloswal.com  
**Website:** www.motilaloswal.com  
**Contact Person:** Rupesh Khant  
**SEBI Registration No.:** INM00001105

### Registrar to the Issue

#### Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound  
L.B.S Marg, Bhandup (West)  
Mumbai 400 078  
Maharashtra, India  
**Telephone:** +91 22 2596 7878  
**Facsimile:** +91 22 2596 0329  
**E-mail:** mumbai@linkintime.co.in

**Investor Grievance E-mail:** nucl.ipo@linkintime.co.in  
**Website:** www.linkintime.co.in  
**Contact Person:** Ranjeet Mahadam  
**SEBI Registration No.:** INR000004058

Investors may contact the compliance officer and /or the Registrar to the Issue and / or BRLMs 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 or refund orders, etc. All grievances relating to the non-ASBA process must be addressed to the Registrar to the Issue quoting full name of the sole or First Bidder, Bid-cum-Application Form number, address of the Bidder, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the Syndicate Member or the Registered Broker where the Bid was submitted, and cheque or draft number and issuing bank thereof.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Broker Centres, as the case may be, 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 member of the Syndicate or the Designated Branch or the Registered Broker, as the case may be, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

#### **Legal Counsel to the Issue**

**M/s. Crawford Bayley & Co.**  
State Bank Building, 4<sup>th</sup> Floor  
N.G.N Vaidya Marg, Fort  
Mumbai – 400 001  
Maharashtra, India  
**Telephone:** +91 22 2266 8000  
**Facsimile:** +91 22 2266 3978  
**E-mail:** sanjay.asher@crawfordbayley.com

#### **Legal Counsel to AADC**

**Khaitan & Co.**  
One Indiabulls Centre  
841, Senapati Bapat Marg  
Elphinstone Road  
Mumbai – 400 013  
**Telephone:** +91 22 6636 5000  
**Fax:** +91 22 6636 5050

#### **International Legal Counsel to the Issue with respect to Selling and Transfer Restrictions for the Equity Shares**

**Duane Morris & Selvam LLP**  
16 Collyer Quay #17-00  
Singapore 049318  
**Telephone:** +65 6311 0030  
**Fax:** + 65 6311 0058

#### **Statutory Auditors of our Company**

**M/s. B S R & Co., LLP**  
Chartered Accountants  
Building No. 10, 8th Floor  
Tower – B, DLF Cyber City Phase – II  
Gurgaon – 122 002  
Haryana, India

**Telephone:** +91 124 2549 191  
**Facsimile:** +91 124 2549 101  
**Email:** ptulsyan@bsraffiliates.com  
**Firm Registration Number:** 101248W/W – 100 022

#### **Syndicate Members**

[•]

#### **Bankers to the Issue and Escrow Collection Bank**

[•]

The Bankers to the Issue and Escrow Collection Banks shall be appointed prior to filing of the Red Herring Prospectus with the RoC.

#### **Refund Bank(s)**

[•]

The Refund Bank(s) shall be appointed prior to filing of the Red Herring Prospectus with the RoC.

#### **Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) and updated from time to time. For details on Designated Branches of SCSBs collecting the Bid cum Application Forms, refer to the website of the SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

#### **Syndicate SCSB Branches**

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid-cum-Application Forms from the members of the Syndicate is available on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) and updated from time to time.

#### **Registered Brokers**

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012, Bidders can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, a list of which is available at the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

#### **Bankers to our Company**

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##### **The Federal Bank Limited**

483/16, Jail Road,  
Civil Lines,  
Gurgaon 122 001  
**Telephone:** +91-124-2302 298/ 233  
1681  
**Facsimile:** +91-124-2222 967  
**E-mail:** grn@federalbank.co.in  
**Website:** www.federalbank.co.in  
**Contact Person:** Geogy Zacharia

##### **Axis Bank Limited**

MCMC DLF Gurgaon,  
Shop No. 1,6,8 and 10,  
Ground Floor, Ninex Time Centre,  
Sun City, Golf Course Road,  
Sector 54,Gurgaon 122 002  
**Telephone:** +91-124-4014 421/23  
**Facsimile:** +91-124-4014 424  
**E-mail:** deepak.khanna@axisbank.com  
**Website:** www.axisbank.com  
**Contact Person:** Deepak Khanna

##### **The Jammu & Kashmir Bank Limited**

A-17, Ring Road, Lajpat  
Nagar-IV,  
New Delhi- 110024  
**Telephone:**+91-11-2644  
2094  
**Facsimile:**+91-11-2644  
2097  
**E-mail:** lajpat@jkbmail.com  
**Website:** www.jkbank.net  
**Contact Person:** Vishal

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**IPO Grading**

No credit agency registered with SEBI has been appointed for the purposes of obtaining a grading for the Issue, as IPO grading is not mandatory.

**Credit Rating**

As this is an issue of Equity Shares, credit rating is not required.

**Experts**

Except for the Auditors' reports dated April 27, 2015 on the restated standalone and restated consolidated financial information of our Company, respectively, the statement of tax benefits dated April 27, 2015, provided by M/s. B S R & Co., LLP, our Company has not obtained any expert opinions.

**Trustees**

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

**Monitoring Agency**

There is no requirement for a Monitoring Agency in terms of sub regulation (1) Regulation 16 of SEBI (ICDR) Regulations since the Issue size is less than ₹ 50,000 lacs. However, as per the Clause 49 of the Listing Agreement, upon listing of the Equity Shares in accordance with the corporate governance requirements, the Audit Committee would be monitoring the utilization of the proceeds of the Issue.

**Appraising Entity**

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

**Statement of Inter-se Allocation of Responsibilities of the BRLMs**

The following table sets forth the responsibilities of the BRLMs in relation to this Issue:

Sl No.	Activities	Responsibility	Co-ordinator
1	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc.	ARAL/MOIAPL	ARAL
2	Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing	ARAL/MOIAPL	ARAL
3	Drafting and approval of all statutory advertisements and application forms	ARAL/MOIAPL	MOIAPL
4	Drafting and approval of other publicity material, including non-statutory advertisement, corporate advertisement, brochures, etc.	ARAL/MOIAPL	MOIAPL
5	Appointment of intermediaries and coordination of intermediary agreements (e.g. Registrar, Advertising agency, Printers, Escrow Banks etc.)	ARAL/MOIAPL	ARAL
6	International institutional marketing strategy, including: - finalizing the list and allocation of investors for one to one meetings - finalizing the international road show schedule & investor meeting schedules - preparation of road show presentation and FAQs	ARAL/MOIAPL	ARAL

Sl No.	Activities	Responsibility	Co-ordinator
7	Marketing strategy for domestic institutions (banks, mutual funds, etc.) including, - finalizing the list and division of investors for one to one meetings, - institutional allocation - finalizing the investor meeting schedules	ARAL/MOIAPL	ARAL
8	Retail and Non-institutional marketing of the Issue, which will include <i>inter alia</i> , - formulating marketing strategies, - preparation of publicity budget - finalizing media and public relations strategy, - finalizing centre for holding conferences for press and brokers, - distribution of publicity and Issue material - deciding on the quantum of Issue material including forms, the Prospectus and, and finalizing collection centres	ARAL/MOIAPL	MOIAPL
9	Co-ordination with Stock Exchanges for: - Book Building software, bidding terminals and mock trading - payment of 1% security deposit through cash and bank guarantee	ARAL/MOIAPL	MOIAPL
10	Finalization of pricing, in consultation with our Company and the Selling Shareholders and managing the book	ARAL/MOIAPL	ARAL
11	Management of Escrow Accounts for the Issue	ARAL/MOIAPL	ARAL
12	Post-Bidding activities including co-ordinating, underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc.  The post-Issue activities will involve essential follow up steps, including the finalisation of trading, dealing of instruments, and demat of delivery of shares with the various agencies connected with the work such as the Registrar to the Issue, the Bankers to the Issue, the bank handling refund business and SCSBs. The BRLMs shall be responsible for ensuring that these agencies fulfil their functions and discharge this responsibility through suitable agreements with our Company and the Selling Shareholders.	ARAL/MOIAPL	ARAL
13	Payment of the applicable Securities Transaction Tax on sale of unlisted equity shares by the Selling Shareholder included in the Issue to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.	ARAL/MOIAPL	ARAL

### Book Building Process

Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus and the Bid cum Application Form. The Price Band and the minimum Bid Lot size will be decided by our Company, the Selling Shareholders, in consultation with the BRLMs, published in one English national daily newspaper with wide circulation and one Hindi national daily newspaper with wide circulation which shall also serve as the regional language newspaper with wide circulation, with Hindi being the regional language of Haryana where the Registered Office is located, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website.

The Issue Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- Selling Shareholders;
- Book Running Lead Managers;

- Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with any of the Stock Exchanges and eligible to act as Underwriters;
- SCSBs through whom ASBA Bidders would subscribe in this Issue
- Registered Brokers;
- Registrar to the Issue; and
- Escrow Collection Banks

Pursuant to Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through the Book Building Process in accordance compliance with provision of Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Issue shall be allotted on a proportionate basis to QIBs. Our Company and the Selling Shareholders, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds subject to valid bids being received at or above the Anchor Investor Issue Price. Such number of Equity Shares representing 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price, such that subject to availability of Equity Shares, each Retail Individual Bidders shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, subject to applicable law. All QIBs (other than Anchor Investors) and Non-Institutional Investors must compulsorily, and Retail Individual Bidders may optionally, participate in this Issue though the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. Specific attention of investors is invited to the chapter titled “*Issue Procedure*” on page 384 of this Draft Red Herring Prospectus.

QIBs (other than Anchor Investors) and Non-Institutional Investors shall compulsorily submit their Bids through ASBA, which would entail blocking of funds in the ASBA Account rather than the transfer of funds to the respective Escrow Accounts. Retail Individual Bidders have the option of submitting their Bids under the ASBA Process or through cheques/demand drafts. Anchor Investors are not permitted to participate through the ASBA process.

Our Company will comply with the SEBI (ICDR) Regulations and any other ancillary directions issued by SEBI from time to time for this Issue. Each of the Selling Shareholders confirm that they will respectively comply with the SEBI (ICDR) Regulations and any other directions issued by SEBI, as applicable to such Selling Shareholders in relation to the Equity Shares offered by them under the Offer for Sale. In this regard, our Company and the Selling Shareholders have appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Category and Non-Institutional Investors Bidding in the Non-Institutional Category are not allowed to withdraw or lower their Bid(s) (both in terms of number of Equity Shares and Bid Amount) at any stage during the Issue or after the Bid/Issue Closing Date. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until finalization of the Basis of Allotment. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to the Anchor Investors will be on a discretionary basis. For further details, please refer to the chapter titled “*Terms of the Issue*” on page 375 of the Draft Red Herring Prospectus.

**Investors are advised to make their own judgment about investment through the ASBA process prior to submitting a Bid cum Application Form to a SCSB or Syndicate ASBA Member.**

**The process of Book Building under SEBI ICDR Regulations is subject to change from time to time and investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.**

**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. This example does not take into account bidding under*

ASBA process and bidding by Anchor Investors.)

**Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 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. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below shows the demand for the shares of our Company at various prices and is collated from bids from various investors.**

<b>Bid Quantity</b>	<b>Bid Price(₹)</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 issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. The issuer and the selling shareholders, in consultation with the book running lead managers, will finalise the issue price at or below such cut off price, i.e., at or below ₹ 22. 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 for bidding:**

1. Check eligibility for making a Bid (for further details refer to the sub section titled “*Issue Procedure- Who Can Bid*” on page 385 of this Draft Red Herring Prospectus) Please note that all Bidders other than Anchor Investors are entitled to Bid through ASBA.;
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Draft Red Herring Prospectus and in the Bid cum Application Form;
4. Except for Bids (i) on behalf of the Central or State Government 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 securities market, and (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (for further details refer to the chapter titled “*Issue Procedure*” on page 384 of this Draft Red Herring Prospectus);
5. Ensure the correctness of your PAN, 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;
6. Bids by ASBA Bidders will have to be submitted to the Designated Branches of the SCSBs or Syndicate Members at Syndicate ASBA Centres or the Broker Centre with the Registered Brokers. ASBA Bidders should ensure that ASBA Accounts have adequate credit balance at the time of submission of the Bid-cum-Application Form to the SCSB, Registered Brokers or Syndicate to ensure that the Bid-cum-Application Form is not rejected;
7. Bids by QIBs (other than Anchor Investors) and Non-Institutional Investors will only have to be submitted through the ASBA process; and
8. Bids by non-ASBA Bidders will have to be submitted to the Syndicate (or their authorized agents) at the bidding centres or the Registered Brokers at the Broker Centres.



For further details for the method and procedure for Bidding, please refer to the chapter “*Issue Procedure*” on page 384 of this Draft Red Herring Prospectus.

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 and the Selling Shareholders in consultation with the BRLMs, reserve the right not to proceed with the Issue at any time after the Bid Opening Date but before Allotment. If our Company and the Selling Shareholders withdraw the Issue, our Company will issue a public notice within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and the Selling Shareholders withdraw the Issue after the Bid Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, they will file a fresh offer document with SEBI and/or the Stock Exchanges, as the case may be.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus.

### **Bid/Issue Programme *Bid/Issue Period***

<b>BID/ISSUE OPENS ON</b>	[●]*
<b>BID/ISSUE CLOSES ON</b>	[●]**

*\*Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall bid on the Anchor Investor Bidding Date, which shall be one Working Day prior to the Bid/Issue Opening Date.*

*\*\*Our Company and the Selling Shareholders may consider closing the Bidding by QIB Bidders one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

This timetable, other than Bid/Issue Opening and Closing Dates, is indicative in nature and does not constitute any obligation or liability on our Company, the Selling Shareholders or the members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within 12 Working Days of the Bid/Issue Closing Date, the timetable may be subject to change for various reasons, including extension of the Bid/Issue Period by our Company and the Selling Shareholders due to revision of the Price Band or any delays in receipt of final listing and trading approvals from the Stock Exchanges. The Selling Shareholders shall provide reasonable support and extend reasonable cooperation as required by the Company to facilitate this process. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law.

Except in relation to Anchor Investors, Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Issue Period at the Bidding centres mentioned in the Bid cum Application Form, or in the case of ASBA Bidders, at the Designated Branches (a list of such branches is available at the website of the SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) or with the members of the Syndicate at the Specified Locations or with the Registered Brokers at the Broker Centres (a list of such Broker Centres is available at the websites of the Stock Exchanges), as the case may be, except that on the Bid/Issue Closing Date (which for QIBs is a day prior to the Bid/Issue Closing Date for non-QIBs), Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) by QIBs and Non-Institutional Investors; and (ii) 5.00 p.m. (Indian Standard Time) in case of Bids by Retail Individual Bidders. On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges. Due to limitation of time available for uploading Bids on the Bid/Issue Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the

Bid/Issue Closing Date. If a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Issue. Our Company, the Selling Shareholders, the members of the Syndicate, the SCSBs and the Registered Brokers will not be responsible for any failure in uploading Bids due to faults in any hardware/software system or otherwise. Bids will be accepted only on Working Days.

Our Company and the Selling Shareholders in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Issue Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price as disclosed at least one Working Day prior to the Bid/Issue Opening Date and the Cap Price will be revised accordingly.

**In case of revision in the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after revision of 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 by indicating the change on the website of the members of the Syndicate and by intimation to SCSBs and the Registered Brokers.**

### **Underwriting Agreement**

After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Member(s) do not fulfill their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded by the Underwriters including through its Syndicate / sub Syndicates. The Underwriting Agreement is dated [●], and has been approved by our Board of Directors / committee thereof. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

*(This portion has been intentionally left blank and will be finalized after the pricing and actual allocation of the Equity Shares is determined)*

<b>Name, address, telephone number, fax number and e-mail addresses of the Underwriters</b>	<b>Indicative Number of Equity Shares to be Underwritten</b>	<b>Amount Underwritten(₹ in lacs)</b>
[●]	[●]	[●]

*The abovementioned underwriting commitments are indicative and will be finalized after the pricing of the Issue and actual allocation and subject to provisions of Regulation 13(2) of the SEBI ICDR Regulations.*

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of all the above mentioned Underwriter(s) are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board of Directors/Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement on behalf of our Company. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above.

Notwithstanding the above table, the BRLMs and the Syndicate Member(s) shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount. If the Syndicate Member(s) fails to fulfill its underwriting obligations as set out in the Underwriting Agreement, the BRLMs shall fulfill the underwriting obligations in accordance with the provisions of the Underwriting Agreement. The

underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in the Issue. The underwriting agreement shall list out the role and obligations of each Syndicate Member. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

## CAPITAL STRUCTURE

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

No.	Particulars	Amount (in ₹ Lacs)	
		Aggregate nominal value	Aggregate value at Issue Price
<b>A. Authorised Share Capital</b>			
	6,00,00,000 Equity Shares	6,000.00	
<b>B. Issued, Subscribed and Paid-Up Share Capital before the Issue</b>			
	4,67,34,020 Equity Shares	4,673.40	
<b>C. Present Issue in terms of the Draft Red Herring Prospectus</b>			
	Public Issue of [●] Equity Shares of face value ₹ 10 each	[●]	[●]
	<i>Which comprises:</i>		
	Fresh Issue of [●] Equity Shares aggregating up to ₹ 6,500 lacs <sup>(1)</sup>	[●]	[●]
	Offer for Sale of up to 84,00,000 Equity Shares aggregating up to ₹ [●] lacs <sup>(2)</sup>	840.00	[●]
<b>D. Issued, Subscribed and Paid-Up Share Capital after the Issue</b>			
	[●] Equity Shares of face value of ₹ 10 each	[●]	[●]
<b>E. Securities Premium Account</b>			
	Before the Issue	Nil	
	After the Issue <sup>#</sup>	[●]	

*# To be finalized upon determination of the Issue Price.*

(1) *The Fresh Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on February 3, 2015, and by the shareholders of our Company vide a special resolution passed pursuant to section 62 of the Companies Act, 2013 at the EGM held on February 13, 2015.*

(2) *AADC is offering up to 68,00,000 Equity Shares as a part of the Offer for Sale pursuant to a resolution passed by its board of directors dated April 28, 2015 and Narinder Singh Dhingra is offering up to 16,00,000 Equity Shares as part of the Offer for Sale authorised pursuant to his letter dated April 27, 2015.*

### NOTES TO THE CAPITAL STRUCTURE

#### 1. Share Capital History

##### a) Changes in authorised Share Capital

The initial authorised capital of our Company was ₹ 50,00,000 consisting of 5,00,000 Equity shares of ₹ 10 each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of Shareholders' Meeting	Particulars of Change		AGM / EGM
	From	To	
April 30, 2007	₹ 50,00,000 consisting of 5,00,000 Equity shares of ₹ 10 each	₹ 6,50,00,000 consisting of 65,00,000 Equity shares of ₹ 10 each	EGM
February 11, 2008	₹ 6,50,00,000 consisting of 65,00,000 Equity shares of ₹ 10 each	₹ 10,00,00,000 consisting of 1,00,00,000 Equity shares of ₹ 10 each	EGM

Date of Shareholders' Meeting	Particulars of Change				AGM / EGM
	From			To	
February 13, 2015	₹ 10,00,00,000	consisting of	₹ 60,00,00,000	consisting of	EGM
	1,00,00,000	Equity shares of ₹ 10 each	6,00,00,000	Equity shares of ₹ 10 each	

#### b) History of Equity Share Capital of our Company

Date of Allotment of the Equity Shares	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price (₹) per Equity Share	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid-up per Equity Share Capital (₹)	Cumulative security premium (₹)
December 14, 2006	50,000	10	10	Cash	Subscription to Memorandum of Association <sup>(1)</sup>	50,000	5,00,000	0
November 23, 2007	64,50,000	10	-	Other than cash	Allotment made upon the acquisition of property and assets of M/s. Hi Fashion Clothing Company <sup>(2)</sup>	65,00,000	6,50,00,000	0
February 22, 2008	2,91,804	10	-	Other than cash	Allotment made upon the acquisition of property and assets of M/s. Hi Fashion Clothing Company <sup>(3)</sup>	67,91,804	6,79,18,040	0
March 25, 2008	2,08,000	10	10	Cash	Preferential Allotment <sup>(4)</sup>	69,99,804	6,99,98,040	0
March 27, 2008	23,47,000	10	149.13	Cash	Preferential Allotment <sup>(5)</sup>	93,46,804	9,34,68,040	32,65,38,110*
February 14, 2015	3,73,87,216	10	-	Other than cash	Bonus issue in the ratio of 4:1	4,67,34,020	46,73,40,200	0

(1) 25,000 Equity Shares were allotted to Narinder Singh Dhingra, 24,000 Equity Shares were allotted to Rohini Singh Dhingra, 500 Equity Shares were to Iqbal Singh, 200 Equity Shares were allotted to Manjit Kaur, 100 Equity Shares were allotted to Manjyot Singh Rana, 100 Equity Shares were allotted to Geetu Rana and 100 Equity Shares were allotted to Rajiv Jain.

(2) 64,50,000 Equity Shares were allotted to Narinder Singh Dhingra.

(3) 2,91,804 Equity Shares were allotted to Narinder Singh Dhingra.

(4) 2,08,000 Equity Shares were allotted to NUCL Employees Welfare Trust.

(5) 23,47,000 Equity Shares were allotted to AA Development Capital India Fund 1, LLC.

(6) Bonus issue in the ratio of 4:1 (four new shares for every one share held) authorised by our Shareholders through a resolution passed in the EGM held on February 14, 2015 undertaken through the capitalisation of the securities premium account and free reserves.

\* The cumulative share premium is calculated including of issue expenses of approximately ₹ 1,32,38,023.

#### c) Issue of equity shares for consideration other than cash or out of revaluation reserves:

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

Date of allotment	Number of Equity Shares	Face value (₹)	Nature of consideration	Reasons for allotment	Benefit accrued to
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allotted					our Company
November 23, 2007	64,50,000	10	Other than cash	Allotment made to Narinder Singh Dhingra upon the acquisition of property and assets of M/s. Hi Fashion Clothing Company	-
February 22, 2008	2,91,804	10	Other than cash	Allotment made to Narinder Singh Dhingra upon the acquisition of property and assets of M/s. Hi Fashion Clothing Company	-
February 14, 2015	3,73,87,216	10	Other than cash	Bonus issue in the ratio of 4:1 authorised by our shareholders through a resolution passed on February 14, 2015	-

- As on date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956.
- Our Company has not revalued its assets since inception and has not issued any Equity Shares by capitalizing any revaluation reserves.
- Except as set below, our Company has not issued any Equity Shares at a price lower than the Issue Price during the preceding the one year.

Date of allotment	Number of Equity allotted	Face value of Shares (₹)	Nature of consideration	Reasons for allotment
February 14, 2015	3,73,87,216	10	Other than cash	Bonus issue in the ratio of 4:1 authorised by our shareholders through a resolution passed on February 14, 2015

- Subject to the SEBI ICDR Regulations, there will be no further issue of Equity Shares whether by way of preferential issue or bonus issue or rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with the SEBI until the Equity Shares offered through the Red Herring Prospectus have been listed on the Stock Exchanges.
- Our Company presently does not have any intention, proposal, negotiation or consideration to alter its capital structure for a period of six months from the date of Bid opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we acquire companies / business or enter into joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

## 7. Details of Build-up, Contribution and Lock-In of Promoter's Shareholding

### i. Capital build-up of Promoters as on date of filing of this Draft Red Herring Prospectus

As on the date of this Draft Red Herring Prospectus, the Promoters of our Company, collectively hold 3,39,54,020 Equity Shares, equivalent to 72.66 % of the issued, subscribed and paid-up Equity Share capital of our Company and none of the Equity Shares held by the Promoters are subject to any pledge.

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

Date of Allotment / acquisition	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue / transfer price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	Cumulative number of Equity Shares	% of pre issue capital	% of post issue capital	Source of funds
<b>(A) Narinder Singh Dhingra</b>									
December 14, 2006	Subscriber to Memorandum	25,000	10	10	Cash	25,000	0.05	[●]	Owned funds
November 23, 2007	Further Allotment	64,50,000	10	-	Other than cash	64,75,000	13.80	[●]	Consideration for acquisition of M/s. Hi Fashion Clothing Company by our Company
February 22, 2008	Further Allotment	2,91,804	10	-	Other than cash	67,66,804	0.62	[●]	Consideration for acquisition of M/s. Hi Fashion Clothing Company by our Company
February 14, 2015	Bonus issue in the ratio of 4:1	2,70,67,216	10	-	Other than cash	3,38,34,020	57.92	[●]	NA
<b>Total (A)</b>						<b>3,38,34,020</b>	<b>72.40</b>	<b>[●]</b>	
<b>(B) Rohini Singh Dhingra</b>									
December 14, 2006	Subscribers to Memorandum	24,000	10	10	Cash	24,000	0.05	[●]	Owned funds
February 14, 2015	Bonus issue in the ratio of 4:1	96,000	10	-	Other than cash	1,20,000	0.21	[●]	
<b>Total (B)</b>						<b>1,20,000</b>	<b>0.26</b>	<b>[●]</b>	

All the Equity Shares held by the Promoter were fully paid-up on the respective dates of allotment/ acquisition of such Equity Shares.

**ii. Details of Promoters contribution locked in for three years.**

Pursuant to Regulation 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20.00% of the fully diluted post-Issue capital of our Company held by the Promoters shall be locked in for a period of three years from the date of Allotment (“**Minimum Promoters’ Contribution.**”).

The lock-in of the Minimum Promoters’ Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

Following are the details of Minimum Promoters’ Contribution:

Name of the Promoter	Date of Allotment	Number of Equity Shares	Number of Equity Shares locked-in	Face value (in ₹)	Issue Price (in ₹)	% of fully diluted post-Issue paid-up capital
<b>Narinder Singh Dhingra (A)</b>	December 14, 2006	25,000	[•]	10	10	[•]
	November 23, 2007	64,50,000	[•]	10	-	[•]
	February 22, 2008	2,91,804	[•]	10	-	[•]
	February 14, 2015	2,70,67,216	[•]	10	-	[•]
	<b>SUB TOTAL(A)</b>			[•]		
<b>Rohini Singh Dhingra (B)</b>	December 14, 2006	25,000	[•]	10	10	[•]
	February 14, 2015	96,000	[•]	10	-	[•]
	<b>SUB TOTAL(B)</b>			[•]		[•]
<b>TOTAL (A)+(B)</b>			[•]			[•]

The Promoter's Contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as 'promoter' under the SEBI ICDR Regulations.

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

- Equity Shares acquired three years before the filing of the Draft Red Herring Prospectus with SEBI for consideration other than cash and revaluation of assets or capitalisation of intangible assets, involved in such transactions or resulting from a bonus issue by utilization of revaluation reserves or unrealised profits of our Company or from bonus issue against Equity Shares which are ineligible for computation of Minimum Promoters' Contribution;
- Equity Shares acquired by our Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue;
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Minimum Promoter's Contribution subject to lock-in;
- Equity Shares held by our Promoters that are subject to any pledge.

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm in the past one year. All the Equity Shares held by the Promoters and the members of the Promoter Group are held in dematerialized form.

In terms of undertaking executed by our Promoters, Equity Shares forming part of Promoter's Contribution subject to lock in will not be disposed/ sold/ transferred by our Promoters during the period starting from the date of filing of the Red Herring Prospectus with RoC till the date of commencement of lock in period as stated in the Draft Red Herring Prospectus.

Other than the Equity Shares locked-in as Promoter's Contribution for a period of three years as stated in the



table above, the entire pre-Issue capital of our Company including the excess of minimum Promoters' Contribution, as per Regulation 36 and 37 of the SEBI ICDR Regulations, shall be locked in for a period of one year from the date of Allotment of Equity Shares in the Issue. Such lock-in of the Equity Shares would be created as per the bye laws of the Depositories. However, this shall not apply to Equity Shares Allotted to employees under ESOP 2015 prior to this Issue and such category of investors is exempt from lock-in requirements pursuant to Regulation 37 of SEBI ICDR Regulations. However, no options have been granted as of the date of the Draft Red Herring Prospectus.

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

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 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 Takeover Code as applicable.

In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 36 of the SEBI ICDR Regulations, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- If the specified securities are locked-in in terms of sub-regulation (a) of Regulation 36 of the SEBI ICDR Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and the pledge of specified securities is one of the terms of sanction of the loan;
- If the specified securities are locked-in in terms of sub-regulation (b) of Regulation 36 of the SEBI ICDR Regulations and the pledge of specified securities is one of the terms of sanction of the loan.

iii. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for 3 years.

**iv. Details of the share capital held by the Selling Shareholders**

Date of transaction	Nature of transaction	Number of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration
<b>AA Development Capital India Fund 1, LLC</b>					
March 27, 2008	Preferential Allotment	23,47,000	10	149.13	Cash
February 14, 2015	Bonus issue in the ratio of 4:1	93,88,000	10	-	Other than cash
<b>Narinder Singh Dhingra</b>					
December 14, 2006	Subscriber to Memorandum	25,000	10	10	Cash
November 23, 2007	Further Allotment	64,50,000	10	-	Other than cash
February 22, 2008	Further Allotment	2,91,804	10	-	Other than cash
February 14, 2015	Bonus issue in the ratio of 4:1	2,70,67,216	10	-	Other than cash

v. **Lock-in of Equity Shares held by the Selling Shareholders**

Except for Equity Shares which are proposed to be transferred as part of the Offer for Sale by the Selling Shareholders, the entire pre-Issue shareholding of Selling Shareholders shall be locked in for a period of one year from the date of allotment of Equity Shares in the Issue as provided under the SEBI ICDR Regulations.

vi. **Lock-in of Equity Shares Allotted to Anchor Investors**

Equity Shares Allotted to Anchor Investors, in the Anchor Investor Portion if any, shall be locked-in for a period of 30 days from the date of Allotment.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

8. **Shareholding Pattern of our Company**

- a. The table below represents the shareholding pattern of our Company as on the date of the Draft Red Herring Prospectus:

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered		
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares	
<b>(A) Shareholding of Promoter and Promoter Group</b>								
<b>Indian</b>								
a. Individual/Hindu Undivided Family	5	3,39,58,020	3,39,57,220	72.66	72.66	0	0.00	
b. Central Government/ State Governments	0	0	0	0.00	0.00	0	0.00	
c. Bodies Corporate	0	0	0	0.00	0.00	0	0.00	
d. Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00	
e. Any other (Specify)	0	0	0	0.00	0.00	0	0.00	
<b>Sub Total A(1)</b>	<b>5</b>	<b>3,39,58,020</b>	<b>3,39,57,220</b>	<b>72.66</b>	<b>72.66</b>	<b>0</b>	<b>0.00</b>	
<b>Foreign</b>								
a. Individual (Non resident Individuals / Foreign individuals)	0	0	0	0.00	0.00	0	0.00	
b. Bodies Corporate	0	0	0	0.00	0.00	0	0.00	
c. Institutions	0	0	0	0.00	0.00	0	0.00	

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
d. Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
e. Any other (Specify)							
<b>Sub Total A(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>Total shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)</b>							
	<b>5</b>	<b>3,39,58,020</b>	<b>3,39,57,220</b>	<b>72.66</b>	<b>72.66</b>	<b>0</b>	<b>0.00</b>
<b>(B) Public Shareholding</b>							
<b>(I) Institutions</b>							
a. Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0.00
b. Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
c. Central Government/ State Governments	0	0	0	0.00	0.00	0	0.00
d. Venture capital Funds	0	0	0	0.00	0.00	0	0.00
e. Insurance Companies	0	0	0	0.00	0.00	0	0.00
f. Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
g. Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
h. Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
i. Any other (Specify) - AA Development Capital India Fund 1, LLC, Mauritius (Private Equity Fund)	1	1,17,35,000	1,17,35,000	25.11	25.11	0	0.00
<b>Sub Total B(1)</b>	<b>1</b>	<b>1,17,35,000</b>	<b>1,17,35,000</b>	<b>25.11</b>	<b>25.11</b>	<b>0</b>	<b>0.00</b>
<b>B(2) Non-Institutions</b>							
a. Bodies Corporate	1	10,40,000	8,32,000	2.22	2.22	0	0.00
<b>b. Individuals</b>							
(i) Individual Shareholders	2	1,000	800	0.00	0.00	0	0.00

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
holding Nominal Share Capital up to ₹1 Lac							
(ii) Individual Shareholders holding Nominal Share Capital in excess of ₹1 Lac	0	0	0	0.00	0.00	0	0.00
c. Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
d. Any Other (specify)							
(d-i) HUF	0	0	0	0.00	0.00	0	0.00
(d-ii) Non Resident Indians	0	0	0	0.00	0.00	0	0.00
(d-iii) Clearing Member	0	0	0	0.00	0.00	0	0.00
<b>Sub Total B(2)</b>	<b>3</b>	<b>10,41,000</b>	<b>8,32,800</b>	<b>2.22</b>	<b>2.22</b>	<b>0</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=</b>							
<b>(B)(1)+(B)(2)</b>	<b>4</b>	<b>1,27,76,000</b>	<b>1,25,67,800</b>	<b>27.33</b>	<b>27.33</b>	<b>0</b>	<b>0.00</b>
<b>TOTAL (A) + (B)</b>	<b>9</b>	<b>4,67,34,020</b>	<b>4,65,25,820</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0.00</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>							
(1) Promoter and Promoter Group	0	0	0	0	0.00	0	0.00
(2) Public	0	0	0	0	0.00	0	0.00
<b>Sub Total C</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Grand Total (A) + (B) + (C)</b>	<b>9</b>	<b>4,67,34,020</b>	<b>4,65,25,820</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0.00</b>

Notes:

1. For determining public shareholding for the purpose of clause 40A of the listing agreement.
2. For definition of Promoter and Promoter Group, refer to clause 40A of the listing agreement.
3. Public Shareholding

**b. Aggregate Shareholding of our Promoter Group as on the date of Draft Red Herring Prospectus–**

Sr. No.	Name	Number of Equity Shares	Per cent of pre-Issue Equity Share Capital	Per cent of post-Issue Equity Share Capital
1.	Narinder Singh Dhingra	3,38,34,020	72.40	[●]
2.	Rohini Singh Dhingra	1,20,000	0.26	[●]

Sr. No.	Name	Number of Equity Shares	Per cent of pre- Issue Equity Share Capital	Per cent of post- Issue Equity Share Capital
3.	Iqbal Singh	2,500	0.00	[●]
4.	Jaiwant Singh Dhingra	1,000	0.00	[●]
5.	Manjyot Singh Rana	500	0.00	[●]
6.	Geetu Rana	500	0.00	[●]

**c. Public shareholders holding more than 1% of the pre-Issue paid up capital of our Company:**

Following are the details of the public shareholders holding more than 1% of the pre Issue paid up capital of our Company:

Sr. No.	Name of the Shareholder	Pre-Issue		Post-Issue	
		Number of Equity Shares held	Percentage (%)	Number of Equity Shares held	Percentage (%)
1.	AADC	1,17,35,000	25.11%	[●]	[●]
2.	NUCL Employees Welfare Trust	10,40,000	2.23%	[●]	[●]

Our Company has not issued any depository receipts and hence does not have any outstanding depository receipts and locked-in Equity Shares.

**1. Equity Shares held by top ten shareholders**

**a) Particulars of the top ten shareholders as on the date of filing this Draft Red Herring Prospectus.**

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Narinder Singh Dhingra	3,38,34,020	72.40%
2.	AADC	1,17,35,000	25.11%
3.	NUCL Employees Welfare Trust	10,40,000	2.23%
4.	Rohini Singh Dhingra	1,20,000	0.26%
5.	Iqbal Singh	2,500	negligible
6.	Jaiwant Singh Dhingra	1,000	negligible
7.	Manjyot Singh Rana	500	negligible
8.	Geetu Rana	500	negligible
9.	Rajiv Jain	500	negligible
	<b>Total</b>	<b>46,73,40,200</b>	<b>100.00</b>

**(b) Particulars of top ten shareholders ten days prior to the date of filing this Draft Red Herring Prospectus.**

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Narinder Singh Dhingra	3,38,34,020	72.40%
2.	AADC	1,17,35,000	25.11%
3.	NUCL Employees Welfare Trust	10,40,000	2.23%
4.	Rohini Singh Dhingra	1,20,000	0.26%
5.	Iqbal Singh	2,500	negligible
6.	Jaiwant Singh Dhingra	1,000	negligible
7.	Manjyot Singh Rana	500	negligible
8.	Geetu Rana	500	negligible
9.	Rajiv Jain	500	negligible
	<b>Total</b>	<b>46,73,40,200</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.**

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Narinder Singh Dhingra	67,66,804	72.40%
2.	AA Development Capital India Fund 1, LLC.	23,47,000	25.11%
3.	NUCL Employee Welfare Trust	2,08,000	2.23%
4.	Rohini Singh Dhingra	24,000	0.26%
5.	Iqbal Singh	500	0.01%
6.	Manjit Kaur	200	negligible
7.	Geetu Rana	100	negligible
8.	Manjyot Singh Rana	100	negligible
9.	Rajiv Jain	100	negligible
	<b>Total</b>	<b>93,46,804</b>	<b>100.00</b>

- There has been no sale, purchase or subscription of our Company's securities by our Promoter, Promoter Group and our Directors within three years immediately preceding the date of this Draft Red Herring Prospectus, which in aggregate is equal to or greater than 1.00% of the pre-Issue share capital of our Company.
- Our Company instituted an employee stock option plan, namely the "Numero Uno Clothing Limited Employee Stock Option Plan 2015" ("**ESOP 2015**"), pursuant to a resolution of the Board of Directors dated February 13, 2015 and resolution of the shareholders in an EGM dated February 14, 2015. The objective of ESOP 2015 is *inter alia* to create a sense of ownership and participation amongst the employees, motivate the employees with incentives and reward opportunities and enable our Company to attract and retain appropriate human talent in the employment of our Company. The ESOP 2015 is in compliance with SEBI ESOP Guidelines.

As on the date of this Draft Red Herring Prospectus, NUCL Employee Welfare Trust holds 10,40,000 Equity Shares under ESOP 2015 and our Company has not granted any options under ESOP 2015. Our Company confirms that it shall not grant any options under the ESOP 2015 till the listing and trading of Equity Shares pursuant to the Issue.

- The Equity Shares, which are subjected to lock-in, shall carry the inscription "non-transferable" and the non-transferability details shall be informed to the depository. The details of lock-in shall also be provided to the Stock Exchanges before the listing of the Equity Shares.
- Except as disclosed above, our Company has not issued Equity Shares to any person in two years preceding the date of this DRHP, including at a price lower than the Issue Price.
- During the six months preceding the date of filing Draft Red Herring Prospectus with SEBI, there are no transactions in our Equity Shares, which have been purchased/ (sold) by our Promoters, persons in promoter group or by the directors of our Promoter Company or by the Directors of our Company and their immediate relatives (as defined under sub-clause (zb) sub-regulation (1) Regulation 2 of the SEBI (ICDR) Regulations, 2009).
- Our Company presently does not have any intention or proposal to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split/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 the Equity Shares) whether by way of preferential issue or bonus issue or rights issue or further public issue of Equity Shares or qualified institutions placement or otherwise, except if our Company plans to enter into acquisitions, joint ventures or strategic alliances, our Company may consider raising additional capital to fund such activity or use Equity Shares as currency for such acquisition, investment or alliance.
- None of the persons/entities comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six months immediately preceding the date of filing Draft Red Herring Prospectus.

9. All the existing Equity Shares are fully paid-up and as on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares.
10. Our Company, our Promoters, our Directors and the BRLMs have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person. There are no safety net arrangements for this public issue.
11. The Equity Shares offered through this public issue shall be made fully paid-up or maybe forfeited within 12 months from the date of allotment of securities in the manner specified in Regulation 17 of SEBI (ICDR) Regulations, 2009.
12. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, subject to applicable law. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
13. As on date of the Draft Red Herring Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
14. There shall be only one denomination of Equity Shares of our Company at any given time, unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be prescribed by SEBI from time to time.
15. A Bidder cannot make a Bid for more than the number of Equity Shares offered in this Issue, subject to maximum limit of investment prescribed under relevant laws applicable to each category of investors.
16. No person connected with the Issue, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, the Directors, the Selling Shareholders, the Promoters, the Promoter Group and the Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
17. Our Company has 9 (nine) Shareholders as on the date of this Draft Red Herring Prospectus.
18. Our Company has not made any public or rights issue of any class or kinds of securities since its incorporation.
19. Except for the sale of Equity Shares, Narinder Singh Dhingra through the Offer of Sale, our Promoters, the members of our Promoter Group and our Group Companies will not participate in the Issue.
20. None of our Directors or key managerial personnel hold Equity Shares of our Company, other than as follows:

<b>Sr. No.</b>	<b>Name of the Directors/ Key Managerial Personnel</b>	<b>Number of Equity Shares</b>	<b>% of pre issue Equity Share capital</b>
1.	Narinder Singh Dhingra	3,38,34,020	72.40%
2.	Rohini Singh Dhingra	1,20,000	0.26%
3.	Rajiv Jain	500	negligible

21. Neither the BRLMs nor any of their associates (determined as per the definition of 'associate company' under section 2(6) of the Companies Act, 2013 hold any Equity Shares in our Company.
22. Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.
23. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the members of the Promoter Group during the period between the date of registering the Red Herring Prospectus with the RoC and the Bid/Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.

24. For the details of related party transactions, please refer to paragraph titled “Statement of Transactions with Related Parties, as Restated” in the section titled ‘*Financial Information*’ on page 180 of this Draft Red Herring Prospectus.



## SECTION IV: PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue comprises a Fresh Issue of [●] Equity Shares by our Company, aggregating up to ₹ 6,500 lacs and an Offer for Sale of up to 84,00,000 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] lacs.

#### Proceeds of the Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

#### Proceeds from Fresh Issue

1. To open 84 new COCO Stores
2. Expansion of the existing capacities at Selaqui, Dehradun
3. Brand Building
4. General corporate purposes

#### Utilisation of Issue Proceeds

The details of the proceeds of the Issue are summarized below:

Particulars	(₹ in Lacs) Amount
<b>Gross Proceeds</b>	[●]
Less: Proceeds of the Offer for Sale*	[●]
Less: Issue related expenses*#	[●]
<b>Net Proceeds</b>	[●]

\* to be finalized upon determination of Issue Price

\*# All expenses which directly relate to the Issue, other than listing fees which will be borne by our Company, will be shared between the Selling Shareholders and our Company in proportion to the Equity Shares being sold or offered by them, respectively, pursuant to the Issue.

#### Objects of the Fresh Issue

The funds which are being raised through the Fresh Issue, after deducting the Issue related expenses to the extent payable by our Company (“Net Proceeds”), are estimated to be approximately ₹ [●] lacs.

Our Company intends to utilize the Net Proceeds for the following objects:

Sl No.	Particulars	(₹ in lacs) Amount
1.	To open 84 new COCO Stores	2,548.58
2.	Expansion of the existing capacities at Selaqui, Dehradun	1,881.69
3.	Brand Building	1,000.00
4.	General corporate purposes*	[●]
	<b>Total</b>	[●]

\* To be determined on finalisation of Issue price and updated at the time of filing of Prospectus with Roc.

In addition to the aforementioned Objects, our Company expects to receive the benefits of listing of its Equity Shares on the Stock Exchanges, including among other things, enhancing the visibility of our brand.

The main objects clause of the Memorandum of Association enables our Company to undertake the activities for which the funds are being raised pursuant to the Fresh Issue. The existing activities of our Company are within the ambit of the main objects clause and the objects incidental or ancillary to the main objects of the Memorandum of Association.

## Utilization of Net Proceeds, schedule of implementation, deployment and means of finance

The total fund requirements for each of the objects of the Fresh Issue and detailed utilization of the Net Proceeds are as follows:

(₹ in lacs)

Sr No.	Particulars	Estimated amount to be utilized from Net Proceeds			Total estimated cost
		Fiscal 2016	Fiscal 2017	Fiscal 2018	
1.	To open 84 new COCO stores	486.79	1,098.48	963.30	2,548.58
2.	Expansion of existing capacities at Selaqui, Dehradun	940.85	940.84	-	1,881.69
3.	Brand Building	300.00	300.00	400.00	1,000.00
4.	General corporate purposes	[●]	[●]	[●]	[●]
	<b>Total</b>	[●]	[●]	[●]	[●]

As on the date of this Draft Red Herring Prospectus, we have not deployed any fund towards the object of the Issue as stated above. The fund requirements of the Objects of the Issue are based on the estimates of our management and our Company's current business plan and have not been independently appraised by any bank or financial institution. These are based on current conditions and are subject to change due to changes in external circumstances or costs, or in other financial conditions, business or strategy. Further, we operate in a highly competitive and dynamic market condition and may have to revise our estimates from time to time on account of external circumstances or costs and our financial condition, business or strategy. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilisation of Net Proceeds of the Fresh Issue.

In the event of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue. If surplus funds are unavailable, the required financing will be done through internal accruals, through cash flow from our operations and/or debt, as required.

### Shortfall of Net Proceeds

In case of a shortfall of Net Proceeds of the Fresh Issue, we intend to meet the same through internal accruals. In the event that the estimated utilisation out of the Net Proceeds of the Fresh Issue in a Fiscal is not completely met, the same shall be utilised in the next Fiscal.

We propose to meet our expenditure towards the Objects of the Issue entirely out of the proceeds of the Issue and internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance as required 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 amount to be raised through the Issue.

### Means of Finance

Our Company shall utilise the entire Net Issue Proceeds for the objects stated above.

### Details of the Objects of the Issue

#### 1. To open 84 new COCO Stores

We are one of India's few indigenous manufacturers and retailers of branded apparels focused mainly on the jeanswear and casual wear segments. In order to market our products, we undertake various retailing models such as EBOs, MBOs, LFS and COCO Stores. Currently, we have a strong presence in northern India besides being present in other parts of India. In order to expand our presence and visibility in other parts of India, we intend to open 84 new COCO Stores which shall not only increase our reach in various cities and towns but also help us add value to our business by opening such company operated stores. We operate our stores with an average store area of 685 sq. ft. Our total store carpet area, as on March 31, 2015 is 17,198 Sq. Ft. approximately and we plan to add an additional store carpet area of 57,540 Sq. Ft. by opening 84 COCO Stores in the following regions:

Sr. No	Location (State)	Fiscal 2016	Fiscal 2017	Fiscal 2018	Total
1	Andhra Pradesh	-	5	1	6
2	Assam	1	-	-	1
3	Bihar	-	-	1	1
4	Chhattisgarh	-	3	-	3
5	Gujarat	-	-	6	6
6	Haryana	-	1	-	1
7	Himachal Pradesh	-	-	1	1
8	Jharkhand	-	1	-	1
9	Jammu & Kashmir	-	-	1	1
10	Karnataka	2	2	-	4
11	Kerala	-	2	1	3
12	Madhya Pradesh	2	4	1	7
13	Maharashtra	4	8	2	14
14	NCR	1	1	3	5
15	Odisha	-	1	-	1
16	Punjab	-	1	1	2
17	Rajasthan	3	2	8	13
18	Tamil Nadu	1	1	2	4
19	Uttarakhand	-	-	1	1
20	Uttar Pradesh	-	4	3	7
21	West Bengal	2	-	-	2
	<b>Total</b>	<b>16</b>	<b>36</b>	<b>32</b>	<b>84</b>

Out of the aforesaid stores to be opened in Fiscal 2016, we have entered into 9 MoUs/ LOI and 3 agreements for following stores:

Sr No.	State	City	Built-up area (in Sq.Ft)	Details of arrangement
1	NCR	Delhi	845	MoU
2	Uttar Pradesh	Kanpur	877	Agreement
3	Rajasthan	Jaipur	868	LOI
4	Rajasthan	Kota	603	LOI
5	Rajasthan	Bhiwadi	1,141	Agreement
6	Rajasthan	Ajmer	1,312	Agreement
7	Punjab	Jalandhar	1,368	LOI
8	Punjab	Mohali	1,011	LOI
9	Karnataka	Mangalore	863	LOI
10	Tamil Nadu	Salem	744	LOI
11	Assam	Guwahati	884	LOI
12	Madhya Pradesh	Jabalpur	1,600	LOI

#### Detailed cost of expansion of COCO Stores

The following table depicts the detailed breakdown of the expansion cost:

(₹ in lacs)

Sr No	Particulars	Fiscal 2016	Fiscal 2017	Fiscal 2018	Total
1.	Interior works	142.54	321.00	282.96	<b>746.50</b>
2.	Electrical fittings	20.95	47.14	41.91	<b>110.00</b>
3.	Air conditioning	11.76	26.11*	26.39*	<b>64.26</b>
4.	Furniture, fixture and fittings	73.93	166.36	147.87	<b>388.16</b>

Sr No	Particulars	Fiscal 2016	Fiscal 2017	Fiscal 2018	Total
5.	IT Hardware and Software	16.45	37.01	32.89	<b>86.35</b>
6.	Power Backup Equipment (DG Sets)	12.60	28.42	39.89	<b>80.91</b>
7.	Surveillance Systems	16.46	37.04*	32.92*	<b>16.46</b>
8.	Miscellaneous Asset	23.65	53.24*	47.31*	<b>23.65</b>
9.	Taxes (on items 1-8)	31.68	71.27	64.90	<b>167.85*</b>
10.	Security Deposits	92.52	211.03	158.69	<b>462.24*</b>
11.	Contingency @ 10%	44.25	99.86	87.57	<b>231.69</b>
	<b>Total Cost</b>	<b>486.79</b>	<b>1,098.48</b>	<b>963.30</b>	<b>2,548.58</b>

\* - management estimates

## 1. Interior works

We usually acquire the store premises on lease and renovate the same as per our needs. We carry out minor modifications in the structure and extensive work on the interiors and floor space. The renovation includes repairing and finishing the walls, renovate flooring, staircases, ceiling, painting, interior designing and front elevation of the store.

The estimated cost towards interiors works for 84 COCO Stores as per quotation received from M/s Manvi Wood Decor dated February 19, 2015 is ₹ 746.50 lacs is detailed as under:

### I. High Street Stores

Sr. No	Particulars	Area Per store	No of stores	Total Area (Sq. ft.)	Rate Per Sq. Ft.	Total Amount (₹ in Lacs)
<b>A. Civil Work</b>						
1	Gypsum Ceiling	650	42	27,300	65	17.75
2	Tile Work	650	42	27,300	150	40.95
3	Tile Scarting	140	42	5,880	55	3.23
4	Floor Dismantling with levelling	650	42	27,300	40	10.92
5	Pop Punning	900	42	37,800	18	6.80
6	Plastic Paint	2,200	42	92,400	20	18.48
7	Texture Paint	1,100	42	46,200	25	11.55
8	Store Room paint	850	42	35,700	10	3.57
<b>B. Wood Work</b>						
1	Wooden partition	375	42	15,750	265	41.74
2	Wooden panelling	330	42	13,860	150	20.79
3	Paneling with oak wood	300	42	12,600	300	37.80
4	Try Room Mirror	4	42	168	4,500	7.56
5	Wardrobe	1	42	42	15,000	6.30
<b>C. Electric &amp; AC Work</b>						
1	Electric Work	650	42	27,300	150	40.95
2	AC & Piping Work	60	42	2,520	750	18.90
3	AC Installation	3	42	126	2,000	2.52
4	AC Stand	3	42	126	1,800	2.27
5	Store Room light	6	42	252	550	1.39
6	MS Rack	10	42	420	3,800	15.96
<b>D. Facade &amp; ACP Work</b>						
1	ACP Work	250	42	10,500	220	23.10
<b>E. Outstation Charges</b>						33.25
<b>Sub – Total (A)</b>						<b>365.78</b>

## II. Mall Stores

Sr. No	Particulars	Area per store	No of stores	Total Area (in Sq. ft.)	Rate per Sq. ft.	Total Amount (₹ in Lacs)
<b>A. Civil Work</b>						
1	Gypsum Ceiling	650	42	27,300	65	17.75
2	Tile Work	650	42	27,300	150	40.95
3	Tile Scarfing	140	42	5,880	55	3.23
4	Floor Dismantling with levelling	650	42	27,300	40	10.92
5	Pop Punning	900	42	37,800	18	6.80
6	Plastic Paint	2200	42	92,400	20	18.48
7	Texture Paint	1100	42	46,200	25	11.55
8	Store Room paint	850	42	35,700	10	3.57
<b>B. Wood Work</b>						
1	Wooden partition	375	42	15,750	265	41.74
2	Wooden panelling	330	42	13,860	150	20.79
3	Paneling with oak wood	300	42	12,600	300	37.80
4	Try Room Mirror	4	42	168	4,500	7.56
5	Wardrobe	1	42	42	15,000	6.30
<b>C. Electric &amp; AC Work</b>						
1	Electric Work	650	42	27,300	150	40.95
2	AC & Piping Work	6	42	252	550	1.39
3	AC Installation	650	42	27,300	85	23.21
4	AC Stand	3	42	126	3,500	4.41
5	Store Room light	650	42	27,300	120	32.76
6	MS Rack	10	42	420	3,800	15.96
<b>D. Outstation Charges</b>						34.61
<b>Sub – Total (B)</b>						<b>380.72</b>
<b>GRAND TOTAL A + B</b>						<b>746.50</b>

### 2. Electrical fittings

Electrical fittings include the expenditure towards in-store lighting, panels and spot lights. The estimated cost towards electrical fittings for 84 COCO Stores as per quotation received from M/s The Light House dated February 24, 2015 is ₹ 110.00 lacs is detailed as under:

Sr. No	Particulars	Quantity per store	Total Quantity	Total Amount (₹ in lacs)
1	Track Spot Light CDMT	18	1,512	34.02
2	Track Spot Light LED	18	1,512	43.85
3	Panel Light LED	20	1,680	26.04
4	Track Strip	Lumpsum	84	4.20
5	Hanging Light arrangement	Lumpsum	84	1.89
<b>TOTAL</b>				<b>110.00</b>

### 3. Air conditioning

The estimated cost towards Air conditioning for 84 COCO Stores is stated below:

(₹ in Lacs)							
Sr. No.	Particulars	Vendor Name	Quote No & Date	No of stores	Total Quantity	Rate Per Unit	Total Amount
1	Daikin Split AC FTKP60*	Citicool Corp	3C/HS/NUCL/FEB/2015 19/02/2015	42	84	50,200	42.17
2	AHU 40LW 09**	Mistcold	MC/F-115/SKK 17/02/15	42	42	52,600	22.09
<b>TOTAL</b>							<b>64.26</b>

\* - to be installed in High Streets;

\*\* - to be installed in Malls

#### 4. Furniture, fixture and fittings

Furniture and fittings include gondolas, shelves, glass facade railing, racks, wooden furniture, cash counter, wall panels with accessories, trial rooms etc. The estimated cost towards furniture and fittings for 84 COCO Stores received from M/s Manvi Wood Décor dated February 19, 2015 is detailed as under:

Sr. No.	Particulars	Total Quantity	Total Amount (₹ in Lacs)
1	Module	1,680	74.76
2	Cash Counter	84	29.40
3	Gondola	168	31.92
4	Hanging Browser	336	25.20
5	Accessories panel	168	15.12
6	Shoes Panel	420	16.80
7	Visual Frame	252	8.82
8	Mirror Frame With Mirror	168	10.92
9	Mirror Module	84	10.92
10	Denim Furniture	84	31.50
11	Shelves With Bracket	7,560	79.38
12	D Bar	840	5.71
13	Cross Bar With Front Hanging	588	5.29
14	Trial Room Door	252	18.90
15	Podium For Mannequin	336	8.40
16	Try Room bench	168	4.20
17	Stool	168	5.88
18	Bench for Shoes	84	5.04
<b>TOTAL</b>			<b>388.16</b>

#### 5. IT Hardware and Software

All our stores have direct connectivity with our head office and are linked with the ERP system 'Logic'. Installation of IT hardware and software includes setting up of information technology infrastructure like computers, server, point of sales solutions, software, scanners, printers and other peripherals.

Each store will have a local server depending on the volume of transactions/ data generation. In addition, each store will have computers at the sales counters. The estimated cost towards IT Hardware and Software for our 84 COCO Stores is as under:

Sr. No	Particulars	Vendor	Quote No & Date	Total Quantity	Rate Per Unit	Total Amount (₹ in Lacs)
1	Computer				38,200	32.09
2	Bill Printer (Thermal)	Powertron Products Pvt. Ltd	PPPL/ST/158 19/02/2015	84	10,800	9.07
3	UPS				2,600	2.18
4	Barcode Scanner (Laser),				5,500	4.62
5	Biometric Fingerprint				5,500	4.62

Sr. No	Particulars	Vendor	Quote No & Date	Total Quantity	Rate Per Unit	Total Amount (₹ in Lacs)
6	Deskjet Printer				6,000	5.04
7	Broadband Router				2,700	2.27
8	Windows License Cost				10,500	8.82
9	LOGIC Retail Application	Logic ERP Sales Pvt Ltd.	CMI/R/902/1415 25/02/2015		21,000	17.64
<b>TOTAL</b>						<b>86.35</b>

#### 6. Power back-up equipment (DG Sets)

To ensure uninterrupted power supply at the stores and to regulate the shopping environment at the store, we usually install equipment to provide back-up electricity in the event of power failure. The estimated cost involved in purchasing the electricity back-up equipment for our 42 COCO Stores (High Streets) as per the quotation received from Jaycee Punching Solutions Private Limited dated February 12, 2015 is ₹ 80.91 lacs.

#### 7. Surveillance Systems

Our stores are usually equipped with surveillance systems which monitor and protect from theft thus ensuring proper control on our system processes. The estimated cost towards surveillance systems for our 84 COCO Stores is as under:

Sr. No.	Particulars	Vendor	Quote Reference no & Date	Rate (Unit /store)	Total Amount (₹ in Lacs)
1	Sensormatic Antennas	TYCO Fire & Security Pvt. Ltd	TFS/SA/G/11/02-2015 18/02/2015	78,000	65.52
2	CCTV Systems	Powertron Products Pvt. Ltd	157 19/02/2015	24,875	20.90
<b>TOTAL</b>					<b>86.42</b>

#### 8. Miscellaneous Assets

The estimated cost of purchase of miscellaneous assets for our 84 COCO Stores is estimated at ₹ 124.20 lacs that are detailed as under:

Sr No.	Particulars	Vendor	Quote No Date	Total Qty	Rate Per Qty	Total Amount (₹ in Lacs)
1	Wooden Hangers Top			33,600	48	16.13
2	Wooden Hangers Bottom			8,400	70	5.88
3	Mannequins With Packing Charges	Clone Mannequins	14-02-2015	252	9,930	25.02
4	Garment Steamer			84	6,500	5.46
5	Music Speaker System	Pankaj Electronics	1349 19-02-2015	84	9,900	8.32*
6	Godrej Safe Taurus	N.K. Prosales Pvt Ltd.	Quote/NU/19021 5 19-02-15	84	5,829.84	4.90
7	Fire Extinguisher	Ceasefire Industries Pvt. Ltd	CFR/4236/19/2/1 5 19-02-2015	84	4,635	3.89

Sr No.	Particulars	Vendor	Quote No Date	Total Qty	Rate Per Qty	Total Amount (₹ in Lacs)
8	Signages & logos	Metro Neon Sign	Ref No.310 14-02-2015	Lumpsum	65,000	54.60
<b>Grand Total</b>						<b>124.20</b>

\* - includes taxes

## 9. Security Deposit

Payments towards security deposit for acquiring the properties on lease for running the stores may vary based on various factors including location, city and the area of the stores. The estimated security deposit required for our 84 COCO Stores would be ₹ 462.24 lacs. The same is considered on zonal basis i.e. North, East, West, South and Central, which is for a period of approximately 3-6 months of the rent per month per sq. ft. Such rent varies between ₹110 – ₹140 per month per sq. ft.

## 10. Contingency

We have estimated our contingency expenses of 10% to be ₹ 231.69 lacs.

## 2. Expansion of the existing capacity at Selaqui, Dehradun

In order to expand our presence and visibility in other parts of India, we intend to open 84 new COCO Stores which shall not only increase our reach in various cities and towns but also help us add value to our business by opening such Company operated stores. These will help us enter new markets which will require us to increase our present manufacturing base. Therefore, we intend to install new machines which shall lead us to scale our present level of production and thus cater the existing and new markets effectively.

Our Company already has leased 8,059.30 square meters with permissible ground coverage area of 4,029.65 sq. mt. of land located at A-2/2, Industrial Area, Selaqui, tehsil and District Dehradun, Uttarakhand, out of which approx. 2,171.68 square metre is currently being used for its existing facility and 1,857.97 square meter would be allotted for the proposed facility.

For details on the properties owned by our company, please refer to paragraph titled “Our Properties” on page 140 of this Draft Red Herring Prospectus.

Our company proposes to construct a building of 64,000 sq. ft. for the manufacturing of our products at an estimated cost of ₹ 1,881.69 lacs. The following is the detailed break-up of cost involved in setting up of the manufacturing facility:

Sr No.	Particulars	Total estimated cost (₹ in lacs)
i.	Building and civil works and site development expenses	955.77
ii.	Plant & Machinery	754.86
iii.	Contingency @ 10%	171.06
<b>Total</b>		<b>1,881.69</b>

### i. Building and Civil works and Site Development expenses

We propose to construct a four storey building in order to enhance the existing manufacturing capacity. The building and civil works would include construction cost of factory shed, assembly lines for the production process, warehouse for storage facilities, administration building etc.

The site development process would include improvements such as excavating, cutting, filling, grading, paving, soil testing, levelling and making it symmetrical with a view to make it desirable to enhancing the capacity.

The estimated cost of ₹ 907.56 lacs for building and civil works has been certified by M/s. Acme Constructions, Engineers Contractors and Interior Decorators, pursuant to their letter dated February 2, 2015.



(₹ in Lacs)

Sl. No.	Items / description	Unit	Qty.	Rate	Amount
<b>A</b>	<b>Main building</b>				
<b>1</b>	<b>Super structure</b>				
A	Structure including excavation, foundation, RCC column, slab and beam, brick work and plaster incl. cost of exposed brick façade (4 floor of 16015 Sft)	Sft	64,060	780	499.67
B	Flooring in kotah stone duly polished	Sft	64,060	100	64.06
<b>2</b>	<b>Doors and Windows</b>				
A	External windows complete with grill mesh frame	Sft	6,800	400	27.20
B 1	Flush door complete with hardware	Sft	448	450	2.02
B 2	MS door frame	Rft	203	375	0.76
<b>3</b>	<b>Electrical works</b>				
A	Conducting wires and switches etc.	Sft	64,060	100	64.06
B	Electrical fittings and fixtures	Sft	64,060	100	64.06
<b>4</b>	<b>Plumbing</b>				
a	Rain water incl. all accessories	Rft	44	500	0.22
5	Finishing incl. painting etc.	Sft	64,060	75	48.05
6	Stair railing and misc. incl. rollar	Rft	164	275	0.45
7	Plumbing for staff toilet and pantry for 4 WC + 2 urinal + 4 basin incl. stack line and fixtures			Lumpsum	7.00
8	Tiling for toilet and pantry walls and cabinet			Lumpsum	7.00
	<b>SUB-TOTAL (A)</b>				<b>784.54</b>
<b>B</b>	<b>Studio</b>				<b>-</b>
<b>1</b>	<b>Super structure</b>				<b>-</b>
A	Structure including excavation, foundation, RCC column, slab and beam, brick work and plaster incl. cost of exposed brick façade single story structure incl. foundation and terracing	Sft	1310	1150	15.07
B	Flooring in kotah stone duly polished	Sft	1310	100	1.31
<b>2</b>	<b>Doors and Windows</b>				<b>-</b>
A	External windows complete with grill mesh frame	Sft	211	400	0.84
B 1	Flush door complete with hardware and veneer finish	Sft	182	600	1.09
B 2	MS frame	Rft	123	375	0.46
<b>3</b>	<b>Electrical works</b>				
A	Conducting wires and switches etc.	Sft	1,310	100	1.31
B 1	Electrical fittings and fixtures	Sft	1,310	100	1.31
<b>4</b>	<b>Plumbing</b>				<b>-</b>
a	Rain water	Rft	60	500	0.30
5	Finishing incl. painting etc.	Sft	1,310	75	0.98
6	MS stair to terrace	Step	20	2000	0.40
7	Plumbing work for toilet / Pantry work incl. fixture	Sft	1,310	200	2.62
8	Tilling for wall and stone counter	Sft	1,310	125	1.64

Sl. No.	Items / description	Unit	Qty.	Rate	Amount
<b>SUB-TOTAL (B)</b>					<b>27.33</b>
<b>C</b>	<b>Staff toilets</b>				
<b>1</b>	<b>Super structure</b>				-
A	Structure including walls RCC column, slab and beam, brick work and plaster incl. cost of exposed brick façade	Sft	530	780	4.13
B	Flooring in kotah stone duly polished	Sft	530	100	0.53
<b>2</b>	<b>Doors and Windows</b>				-
A	External windows complete with grill mesh frame	Sft	161	400	0.64
B 1	Flush door complete with hardware	Sft	344	600	2.06
B 2	MS frame	Rft	352	375	1.32
<b>3</b>	<b>Electrical works</b>				
A	Conducting wires and switches etc.	Sft	530	100	0.53
B	Electrical fittings and fixtures	Sft	530	100	0.53
<b>4</b>	<b>Plumbing</b>				-
a	Rain water 4"	Rft	53	500	0.27
b	Plumbing for 6 urinal + 6 WC + 13 basin complete with fixtures and stack lines			L. S.	14.00
5	Finishing incl. painting etc.	Sft	530	75	0.40
6	Stair railing and misc.	Rft	71	225	0.16
7	Plumbing fixture for toilet	Sft	530	200	1.06
8	Tiling for toilet	Sft	530	75	0.40
9	MS stair	step	20	2000	0.40
<b>Sub-Total (C)</b>					<b>26.43</b>
<b>D</b>					
1	Demolition of existing structure on GF rear incl. labour and existing area of debries	Sft	7,088	60	4.25
2	Architecture fees, permits and other expenses				45.00
3	Miscellaneous				20.00
<b>Sub-Total (D)</b>					<b>69.25</b>
<b>TOTAL (A+B+C+D)</b>					<b>907.56</b>
Add: Taxes*					48.21
<b>Grand Total</b>					<b>955.77</b>

\* Management estimates

## ii. Plant and machinery

We are yet to place orders for the purchase of the plant and machinery. The list of plant and machinery proposed to be acquired along with details of quotations are set forth below:

Sr No.	Machine	Total Quantity (A)	Supplier Name	Quotation Reference No	Quotation Date	Brand	Model	Currency	Cost (B)	Total Cost (C=A*B)	INR Cost (in ₹ lacs) (E=C*D)	Duties & Freight (in ₹ lacs) (F)	Total Landed Costs (in ₹ lacs) (G=E+F)
1	Pick Stitch	2	INDIA AGENCIES	1AR/GGN/51	16/02/2015	Jack	JK-T-388	INR	32,000	64,000	0.64	-	0.64
2	Round Knife	5	IIGM	B/GGN/136 R2	16/02/2015	Eastman	EC-45	USD	360	1,800	1.12	0.33	1.45
3	Straight Knife	7	IIGM	B/GGN/136 R2	16/02/2015	Eastman	629-8"	USD	995	6,965	4.32	1.30	5.61
4	Fusing	2	IIGM	B/GGN/136 R2	16/02/2015	Hashima	HP 900LFS	USD	8,550	17,100	10.60	3.18	13.78
5	Spreader Air Float Tables -18 Mtrs Each	5	IIGM	F/GGN/195 R	16/02/2015	Eastman	CT-3	USD	2,850	14,250	8.84	2.65	11.49
6	Spreader -- - Auto	1	IIGM	F/GGN/195 R	16/02/2015	Eastman	NA-600FN/6	USD	32,000	32,000	19.84	5.95	25.79
7	Computer Embroidery 18-H	1	IIGM	F/DEL/2075 A	24/12/2014	Barudan	BEXS-Y918	J Y	8,200,000	8,200,000	43.46	13.04	56.50
8	Computer Embroidery 6-H	1	IIGM	F/DEL/2075 B	24/12/2014	Barudan	BEXY-Y906	J Y	4,800,000	4,800,000	25.44	7.63	33.07
9	Thread Trimmers	68	IIGM	F/GGN/017 R	16/02/2015	Nagaishing	NS-3110	USD	700	47,600	29.51	8.85	38.37
10	Snap Button Attach	14	IIGM	F/GGN/017 R	16/02/2015	Nagaishing	NS-47 U	USD	1,175	16,450	10.20	3.06	13.26
11	Snls	<b>370</b>	IIGM	F/GGN/195 R	16/02/2015	Juki	DDL-8100EB	USD	305	112,850	69.97	20.99	90.96
12	Loop Setter	2	IIGM	F/GGN/195 R	16/02/2015	Juki	MOL-254	USD	21,500	43,000	26.66	8.00	34.66
13	Feed Off Arm M	6	IIGM	F/GGN/195 R	16/02/2015	Juki	MS1190 MF	USD	2,650	15,900	9.86	2.96	12.82
14	Feed Off	6	IIGM	F/GGN/195 R	16/02/2015	Juki	MS-	USD	3,950	23,700	14.69	4.41	19.10

Sr No.	Machine	Total Quantity (A)	Supplier Name	Quotation Reference No	Quotation Date	Brand	Model	Currency	Cost (B)	Total Cost (C=A*B)	INR Cost (in ₹ lacs) (E=C*D)	Duties & Freight (in ₹ lacs) (F)	Total Landed Costs (in ₹ lacs) (G=E+F)
	Arm H			R	5		1261/VO 46S						
15	Edge Cutter	12	IIGM	F/GGN/195 R	16/02/201 5	Juki	DLM- 5200ND	USD	1,050	12,600	7.81	2.34	10.16
16	Pocket Facing	3	IIGM	F/GGN/195 R	16/02/201 5	Juki	MF- 7523- B56-U11	USD	1,250	3,750	2.33	0.70	3.02
17	Five Thread	5	IIGM	F/GGN/195 R	16/02/201 5	Juki	MO- 6716S- FF- 6/60HF	USD	825	4,125	2.56	0.77	3.32
18	DnCS	5	IIGM	F/GGN/195 R	16/02/201 5	Juki	MH- 380FU	USD	2,375	11,875	7.36	2.21	9.57
19	Dnls	16	IIGM	F/GGN/195 R	16/02/201 5	Juki	LH- 3668ASF	USD	1,850	29,600	18.35	5.51	23.86
20	Sn Ubt B	18	IIGM	F/GGN/195 R	16/02/201 5	Juki	DDL- 8100eBX	USD	350	6,300	3.91	1.17	5.08
21	Sn Ubt H	11	IIGM	F/GGN/195 R	16/02/201 5	Juki	DDL- 8700H- 7-WBL	USD	635	6,985	4.33	1.30	5.63
22	Back Patch Attach (Pattern Setter)	4	IIGM	F/GGN/195 R	16/02/201 5	Juki	AMS- 210EN- HL-- 1510- SZ500D	USD	10,800	43,200	26.78	8.04	34.82
23	Bartak	4	IIGM	F/GGN/195 R	16/02/201 5	Juki	LK1900 BHS	USD	3,150	12,600	7.81	2.34	10.16
24	Zig Zag	1	IIGM	F/GGN/195 R	16/02/201 5	Juki	LZ-2284	USD	1,950	1,950	1.21	0.36	1.57
25	Button Sew/ Attach Mc	2	IIGM	F/GGN/195 R	16/02/201 5	Juki	LK1903 BSS-301	USD	3,890	7,780	4.82	1.45	6.27
26	Loop	2	IIGM	F/GGN/195	16/02/201	Kansai	B2000-C	USD	1,500	3,000	1.86	0.56	2.42

Sr No.	Machine	Total Quantity (A)	Supplier Name	Quotation Reference No	Quotation Date	Brand	Model	Currency	Cost (B)	Total Cost (C=A*B)	INR Cost (in ₹ lacs) (E=C*D)	Duties & Freight (in ₹ lacs) (F)	Total Landed Costs (in ₹ lacs) (G=E+F)
	Make			R	5								
27	Placket Attach	5	IIGM	F/GGN/195 R	16/02/2015	Kansai	DFB-1404PSF	USD	1,450	7,250	4.50	1.35	5.84
28	Waist Band Attach	4	IIGM	F/GGN/195 R	16/02/2015	Kansai	DLR-1508P	USD	1,450	5,800	3.60	1.08	4.67
29	Eyelet Botton Hole	3	IIGM	F/GGN/195 R	16/02/2015	Reece	S 100	USD	7,500	22,500	13.95	4.19	18.14
30	Topper Blowers Press	10	IIGM	R/GGN/001 R	16/02/2015	Rotondi	TFAL/EC	Euro	5,500	55,000	44.00	13.20	57.20
31	In Line Pressing Tables	10	IIGM	R/GGN/001 R	16/02/2015	Rotondi	1980-EC-1/MINI-4	Euro	800	8,000	6.40	1.92	8.32
32	Cad	1	STUDIO NEXT	SNI 7287	05/02/2015	Richpeace	V 9 NEW	INR	130,000	130,000	1.30	-	1.30
33	Laser Machine	1	Jeanologia	2982	09/12/2014	Jeanologia	GFLEXI HS05	Euro	175,000	175,000	140.00	42.00	182.00
34	Stapple Tag Machine	2	HCA	13-14/N1242	26/02/2015	Avery Dennisson	ST-9000	INR	105,000	210,000	2.10	-	2.10
35	Belt Loop Trimmer	6	HCA	13-14/N1242	26/02/2015	Duke	DLT-9000	INR	32,000	192,000	1.92	-	1.92
	<b>GRAND TOTAL</b>	<b>615</b>									<b>582.04</b>	<b>172.82</b>	<b>754.86</b>

Conversion rates: USD = ₹ 62; Euro = ₹ 80 and Japanese Yen = ₹ 0.53

### iii. Contingency

We have estimated our contingency expenses to be ₹ 171.06 lacs.

#### Schedule of implementation

Activity	Estimated date of commencement	Estimated date of completion
Building and civil works	October 2015	October 2016
Plant & Machinery	September 2015*	December 2016
Trial production	January 2017	March 2017
Commercial production	April 2017	-

\* Company shall initiate the process to place the orders

### iv. Miscellaneous fixed assets and Preliminary and Pre-operative expenses

Our Company vide its letter dated April 20, 2015 has confirmed that the expenses towards the Miscellaneous Fixed Assets and Preliminary and Pre-operative expenses shall be borne from the internal accruals of our Company and thus are not included in the Objects.

### 3. Brand Building

Our Company's brand strategies are aimed at following objectives:

- Establish lifestyle positioning attributes
- Retain and develop our customers
- National level advertising for our brands
- Strong brand recall

We believe developing a brand identity not only gives confidence about our full range of products to our customers but also depicts the activities associated with our Company. Our Company in its endeavour to create a strong brand identity, has been consistently investing in advertising and business promotion and have spent 2.53%, 3.21% and 4.03% of our total expenses for Fiscal 2015, Fiscal 2014 and Fiscal 2013 respectively. We believe this has helped us create a visibility in North India, a region where we believe have a strong presence currently. Going forward, we intend to continue to reach our customers at large by various avenues and gradually increasing our spend towards marketing and advertisements for creating brand awareness.

Pursuant to our growth plans, our Company intends to make further investment in strengthening the brand equity and the lifestyles attributes of the "Numero Uno" brand by increasing its advertising and marketing activities.

Furthermore, with the opening of the new 84 COCO Stores as stated in the objects above we would be entering in to certain regions/ cities for the first time and thus we need a strong marketing plan to launch ourselves in that region/ city. This will not only help us create visibility for our brand and products but also give various opportunities to scale our size by opening new EBOs and expanding our presence with LFS.

For scaling up our brand and entering into new geographies, significant launch advertising budget will be expended upfront for creation of brand recognition in short time. We believe that the continuous branding exercise will not only help us retain and develop our customers but also enhance the recall value in the minds of customers. In addition, it would enable greater visibility for our products on the retail shelf which will thus lead in rise in demand for our product.

We have budgeted a brand building exercise for our "Numero Uno" brand of ₹ 2,702.70 lacs spread over three (3) years which includes the marketing spend that is part our existing business plan. The amount of ₹ 2,702.70 lacs to be incurred on brand building exercise have been based on quotation dated March 03, 2015 received from Hakuhodo Percept Private Limited and we intend to utilize ₹ 1,000 lacs from proceeds of the Issue and balance from internal accruals, not forming parts of the Objects of the Issue.

Our marketing budget includes brand ambassador's fee, advertising on television, advertising in lifestyle magazines, supplements of newspapers, billboards consumer promotions etc. We intend to spend on scaling up our existing brand and extending it to more product categories. These costs are in the nature of advertising and brand building expenses and will not result in the creation of any tangible assets. Going forward, our Company proposes to engage in expanding our branding and marketing initiatives by expending the following amounts:

(₹ in Lacs)

Sr. No	Particulars	Fiscal 2016	Fiscal 2017	Fiscal 2018	Total
1	Brand ambassador (Event Sponsorship)	50.00	50.00	50.00	150.00
2	Television advertising	446.36	496.59	496.59	1439.54
3	Cineplex advertising	60.15	60.20	60.16	180.51
4	Print media	122.79	135.20	237.30	495.29
5	Outdoor media	112.53	64.64	112.53	289.70
6	Radio	49.22	49.22	49.22	147.66
	<b>Total</b>	<b>841.05</b>	<b>855.85</b>	<b>1005.8</b>	<b>2702.70*</b>

\* Our Company proposes to utilise ₹ 1,000 lacs from proceeds of the Issue for this object.

#### 4. General corporate purposes

Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes to drive our business growth, as may be approved by our management, including but not restricted to expansion of manufacturing capacity, meeting working capital requirements, strategic initiatives and acquisitions, strengthening our marketing capabilities, brand building and meeting on going general corporate exigencies.

Our Company, in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

In terms of Regulation 4(4) of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25% of the Issue Proceeds.

#### Deployment of Funds

The details of the amount spent by our Company as of March 31, 2015 towards the “Objects of the Issue” and as certified by our Statutory Auditors, M/s B S R & Co. LLP., Chartered Accountants, vide certificate dated April 27, 2015 are provided in the table below:

Deployment of Funds	Amount (₹ in Lacs)
Issue Expenses	32.59
<b>Total</b>	<b>32.59</b>

Sources of Funds	Amount (₹ in Lacs)
Internal Accruals	32.59
<b>Total</b>	<b>32.59</b>

#### Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] lacs. The expenses of this Issue include, among others, underwriting and management fees, selling commissions, SCSBs commissions/fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees.

Other than the listing fees (which shall be borne by our Company), all Issue related expenses shall be pro rata borne by our Company and the Selling Shareholders in proportion to the proceeds of the respective Equity Shares offered by our Company and the Selling Shareholders in the Offer for Sale. The Selling Shareholders will reimburse their proportionate share of expenses from the proceeds of the Offered Shares upon a successful listing of the Equity Shares of our Company.

The estimated issue expenses are as under:

Description	Total estimated amount*	% of Total expenses*	% of Total Issue size*
Lead management fees, underwriting commission, brokerage and selling commission (including commissions to SCSBs for ASBA Applications and commissions to Non-Syndicate Registered Brokers)	[●]	[●]	[●]
Fees paid to the Bankers to the Issue, processing fees to the	[●]	[●]	[●]

Description	Total estimated amount*	% of Total expenses*	% of Total Issue size*
SCSBs for processing Application Forms procured by the Syndicate at Syndicate ASBA Centres or Non-Syndicate Registered Brokers and submitted to the SCSBs#			
Registrar fee and other related fees (postage of refunds etc.)	[●]	[●]	[●]
Advertising and marketing expenses, printing, stationery and distribution expenses	[●]	[●]	[●]
Other expenses (SEBI Filing fees, legal and auditor fees, stock exchanges' processing and listing fees, book-building fees, depository's charges etc.)	[●]	[●]	[●]
<b>Total</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\* will be incorporated after finalisation of the Issue Price

# The SCSBs would be entitled to a processing fees of ₹ [●] per Bid cum Application Form, for processing the Bid cum Application Forms procured by the members of the Syndicate or the Registered Brokers and submitted to the SCSBs.

### Interim Use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, we intend to temporarily invest the Net Proceeds in high quality interest bearing liquid instruments, including money market mutual funds and deposits with banks and other interest/ dividend bearing securities for the necessary duration or for reducing the working capital facilities being availed by us. Pending utilization of the Net Proceeds, our Company shall not invest the funds in the equity market.

### Bridge Financing Facilities

We have currently not raised any bridge loan against the Net Proceeds. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.

### Monitoring of Utilization of Funds

There is no requirement for a monitoring agency as the size of the Fresh Issue is less than ₹ 50,000 lacs. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds. We will disclose the utilization of the Net Proceeds, including interim use, under a separate head specifying the purpose for which such proceeds have been utilized along with details, if any in relation to all the Net Proceeds that have not been utilised thereby also indicating investments, if any, of such unutilized Net Proceeds in our Balance Sheet for the relevant financial years subsequent to the successful completion of the Issue.

Pursuant to Clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee, the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Red Herring Prospectus and the Prospectus, and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement will be certified by the statutory auditors of our Company.

In accordance with Clause 43A of the Listing Agreement, our Company shall furnish to the Stock Exchanges on a quarterly basis a statement including material deviations, if any, in the utilisation of the proceeds of the Fresh Issue for the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee. In the event of any deviation in the use of Net Proceeds from the objects of the Fresh Issue as stated above, our Company shall intimate the same to the Stock Exchanges without delay.

Any such change / deviation in the use of proceeds from the objects stated in this DRHP, if any, shall be made as per the applicable laws and regulations.

### Other Confirmations

The prices for the plant and machinery proposed to be purchased, as set out above, are as per the quotations received from the suppliers. We will obtain fresh quotations at the time of actual placement of the order for the respective plant and machinery. The actual cost would, thus, depend on the prices finally settled with the suppliers and, to that extent, may vary from the above estimates.

No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors, Key Management



Personnel or Promoter Group, except in the ordinary course of our business. We further confirm that the amount raised by our Company through the Issue shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

### **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 authorised to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act, 2013. Pursuant to the Companies Act, 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Issue in accordance with the Articles of Association and as may otherwise be prescribed by SEBI.

Investors may note that AADC is not liable under Section 27 of the Companies Act or any other applicable law or regulation (including any direction or order by any regulatory authority, court or tribunal) for any variation of (i) terms of a contract referred to in this Draft Red Herring Prospectus; and/or (ii) the objects of the Issue for which this Draft Red Herring Prospectus is issued.

## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of the assessment of market demand for the offered Equity Shares by the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹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.

Investors should also refer to the chapters titled “*Our Business*”, “*Risk Factors*” and “*Financial Statements*” on pages 128, 16 and 180, respectively, of this Draft Red Herring Prospectus to have an informed view before making an investment decision.

### Qualitative Factors

#### *Competitive strengths*

- One of the leading apparel brands with a long standing market presence;
- One of the leading integrated indigenous manufacturer and retailer of branded apparels in India;
- Extensive exclusive distribution network;
- Comprehensive product range and personalized shopping experience;
- Strong in-house design capabilities and techniques;
- Integrated systems and processes;
- Experienced management and Key Managerial Personnel

For more details on qualitative factors, refer to section titled “*Our Business*” on page 128 of this Draft Red Herring Prospectus.

### Quantitative Factors

The information presented in this section for the Fiscal ended March 31, 2015, March 31, 2014, and March 31, 2013 is derived from our Standalone and Consolidated Restated Summary Statements prepared in accordance with Indian GAAP. Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

#### 1. Basic and Diluted Earnings per Share (EPS)

##### Basis EPS:

Year ended	Consolidated (per Equity Share)	Standalone (per Equity Share)	Weight
March 31, 2013	1.74	1.81	1
March 31, 2014	2.68	2.36	2
March 31, 2015	3.16	3.16	3
<b>Weighted Average</b>	<b>2.77</b>	<b>2.67</b>	

##### Diluted EPS:

Year ended	Consolidated (per Equity Share)	Standalone (per Equity Share)	Weight
March 31, 2013	1.74	1.81	1
March 31, 2014	2.68	2.36	2
March 31, 2015	3.16	3.16	3
<b>Weighted Average</b>	<b>2.77</b>	<b>2.67</b>	

##### Note:

- *The basic and diluted EPS have been calculated in compliance with Accounting Standard 20 issued by the Institute of Chartered Accountants of India.*
- *Basic earning per share are calculated by dividing the net profit after tax and extraordinary items, as restated by the weighted average number of Equity Shares outstanding during the years.*
  - *Diluted earning per share are calculated by dividing the net profit after tax and extraordinary items, as restated by the weighted average number of potential Equity Shares outstanding during the years.*
- *The face value of each Equity Share is ₹10 each.*

## 2. Price / Earning (P/E) Ratio in relation to Issue Price of ₹ [●] per Equity Share

Particulars	Consolidated	Standalone
a) P/E ratio based on basic EPS for the year ended March 31, 2015 at the Lower end of the price band	[●]	[●]
b) P/E ratio based on diluted EPS for the year ended March 31, 2015 at the Higher end of the price band	[●]	[●]
c) P/E ratio based on basic EPS for the year ended March 31, 2015 at the Lower end of the price band	[●]	[●]
d) P/E ratio based on diluted EPS for the year ended March 31, 2015 at the Higher end of the price band	[●]	[●]
<b>e) Industry P/E Multiple:*</b>		
Highest		37.71
Lowest		20.90
<b>Industry Composite</b>		<b>32.94</b>

\*The Industry high and low has been considered from the Industry Peer Set consisting of Zodiac Clothing Co. Limited, Kewal Kiran Clothing Limited, Monte Carlo Fashions Limited and Indian Terrain Fashions Limited. The Industry composite has been calculated as the arithmetic average standalone P/E of the Industry peer set provided below. For further details please see "Comparison with Listed Industry Peers" below.

## 3. Return on Net Worth (RONW):

Year ended	Consolidated	Standalone	Weight
March 31, 2013	11.65%	11.24%	1
March 31, 2014	15.64%	13.14%	2
March 31, 2015	15.77%	15.12%	3
<b>Weighted Average</b>	<b>15.04%</b>	<b>13.81%</b>	

Note: The return on net worth is arrived at by dividing net profit after tax and extraordinary items, as restated by net worth as restated as at years.

## 4. Minimum return on increased net worth after the Issue required for maintaining pre-issue EPS at March 31, 2015

Particulars	At the Lower end of the Price Band		At the Higher end of the Price Band	
	Consolidated	Standalone	Consolidated	Standalone
Basic EPS	[●]	[●]	[●]	[●]
Diluted EPS	[●]	[●]	[●]	[●]

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

Particulars	NAV (₹ per Equity Share)	
	Consolidated	Standalone
NAV per Equity Share as of March 31, 2013	14.93	16.10
NAV per Equity Share as of March 31, 2014	17.14	18.00
NAV per Equity Share as of March 31, 2015	20.07	20.92
NAV per Equity Share after the Issue	[●]	[●]
Issue Price per Equity Share	[●]	[●]

Note: Net Asset Value per Equity Share represents net worth, as restated divided by the number of Equity Shares outstanding as at year.

## 6. Comparison of Accounting Ratios with Industry Peers

Name of the company	Standalone / Consolidated	Financial year ended	Face Value (₹)	EPS (₹)	RONW (%)	NAV per Equity Share (₹)	P/E Ratio
Numero Uno Clothing Limited	Standalone	March 31, 2015	10.00	3.16	15.12	20.92	[●]*

Name of the company	Standalone / Consolidated	Financial year ended	Face Value (₹)	EPS (₹)	RONW (%)	NAV per Equity Share (₹)	P/E Ratio
	Consolidated	March 31, 2015	10.00	3.16	15.77	20.07	[●]*
<b>Peer Group**</b>							
Zodiac Clothing Co. Limited	Standalone	March 31, 2014	10.00	7.70	8.47	90.84	36.75
	Consolidated	March 31, 2014	10.00	11.35	8.45	134.24	24.93
Kewal Kiran Clothing Limited	Standalone	March 31, 2014	10.00	54.38	23.07	235.78	36.41
Monte Carlo Fashions Limited	Standalone	March 31, 2014	10.00	25.45	14.55	174.84	20.90
Indian Terrain Fashions Limited	Standalone	March 31, 2014	10.00	17.45	27.31	63.57	37.71

**Source:** Respective Annual Report

\* Based on the Issue Price to be determined on conclusion of book building process and the basic EPS of our Company.

\*\* Source:

- The Basic EPS are based on the respective annual reports for the year ended March 31, 2014
- The RoNW and NAV per share for the peers have been computed based on the respective annual reports for the year ended March 31, 2014 as follows:
  - Return on Net Worth = Profit after tax/ shareholders' fund (share capital plus reserves and surplus)
  - Net Asset Value per share = Shareholder' funds (Share capital plus reserves and surplus)/ paid-up number of shares.
- The P/E figures for the peers is computed based on the closing price on the BSE (available at [www.bseindia.com](http://www.bseindia.com)) as on April 28, 2015, of Zodiac Clothing Co. Ltd, Kewal Kiran Clothing Limited, Monte Carlo Fashions Ltd and Indian Terrain Fashions Ltd as ₹ 283.00, ₹ 1,980.00, ₹ 531.80 and ₹ 658.00 respectively divided by Basic EPS based on the respective annual reports for the year ended March 31, 2014

The Issue Price of ₹ [●] has been determined by our Company and the Selling Shareholders, in consultation with the BRLMs on the basis of the assessment of market demand from investors for the Equity Shares determined through the Book Building Process and is justified based on the above qualitative and quantitative parameters. For further details, see the section titled "Risk Factors" on page 16 of this Draft Red Herring Prospectus and the audited financials of our Company including important profitability and return ratios, as set out in the section titled "Financial Statements" on page 180 of this Draft Red Herring Prospectus. The trading price of the Equity Shares could decline due to the factors mentioned in section titled "Risk Factors" on page 16 of this Draft Red Herring Prospectus and an investor may lose all or part of his investment.

## STATEMENT OF TAX BENEFITS

To,

The Board of Directors  
**Numero Uno Clothing Limited**  
568/1, PMW Complex,  
Railway Road, Gurgaon,  
Haryana – 122001

Dear Sirs,

In accordance with the existing provisions of the Income Tax Act, 1961, the Wealth Tax Act, 1957 and the Gift Tax Act, 1958, currently in-force in India (without considering the impact of Finance Bill 2015), the possible tax benefits which are included in the annexed statement may be available to Numero Uno Clothing Limited (“the **Company**”) and to the shareholders of the Company. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statutes. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfill. No assurance is given that the revenue authorities will concur with the views expressed herein.

The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences 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 issue.

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

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

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm Registration No.:101248W/W-100022

**Pravin Tulsyan**

Partner

Membership No. : 108044

Place: Gurgaon

Date: 27 April 2015

## STATEMENT OF TAX BENEFITS

*The information provided below sets out the possible tax benefits available to the shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of purchase, ownership and disposal of equity shares, under the Tax Laws presently in force in India. It is not exhaustive or comprehensive analysis and is not intended to be a substitute for professional advice.*

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.

The following is based on the provisions of the Income-tax Act, 1961 ("the Act") as of the date hereof. The Act is amended every fiscal year.

### A. Levy of Income Tax

Tax implications under the Act are dependent on the residential status of the tax payer. We summarize herein below the provisions relevant for determination of residential status of a tax payer:

#### 1. Residential status of an Individual –

As per the provisions of the Act, an individual is considered to be a resident in India during any FY if he or she is present in India for:

- a) *a period or periods aggregating to 182 days or more in that FY; or*
- b) *a period or periods aggregating to 60 days or more in that FY and for a period or periods aggregating to 365 days or more within the four preceding years; or*

*In the case of a citizen of India or a person of Indian origin living outside India who comes on a visit to India in any previous year, the limit of 60 days under point (b) above, shall be read as 182 days.*

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

*Subject to complying with certain prescribed conditions, individuals may be regarded as 'Resident but not ordinarily resident'.*

#### 2. Residential status of a company –

A company is resident in India if it is formed and incorporated under the Companies Act 1956/ Companies Act 2013 or the control and management of its affairs is situated wholly in India.

#### 3. Residential status of a Hindu undivided family ('HUF') firm or AOP –

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

A person who is not a resident in India would be regarded as 'Non-Resident'.

#### 4. Residential status of every other person –

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

#### 5. Scope of taxation

In general, a person who is "resident" in India in a FY is subject to tax in India on its global income. In the case of a person who is "non-resident" in India, only the income that is received or deemed to be received or that accrues or is deemed to accrue or arise to such person in India is subject to tax in India. In the instant case, the income from the equity shares of the Company would be considered to accrue or arise in India, and would be taxable in the hands of all categories of tax payers irrespective of their residential status unless specifically

exempt (e.g. Dividend). However, a relief may be available under applicable Double Taxation Avoidance Agreement ('DTAA') to certain non-residents/ investors.

## **6. Tax Considerations**

As per the taxation laws in force, the tax benefits / consequences as applicable, to the Company and the perspective shareholders are stated as under. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon the fulfilling such conditions:

### **B. Benefits available to the Company - Under the Act**

#### **I. Special Tax Benefits**

1. There are no special tax benefits available to the Company

#### **II. General Tax Benefits**

##### **2. Computation of business income**

###### **2.1 Depreciation allowance**

- 2.1.1. Under Section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates in respect of the following assets:

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

- 2.1.2. As per provision of Section 32(1)(ia) of the Act, the Company is entitled to claim additional depreciation at the rate of 20% of the actual cost of any new machinery or plant acquired and installed after 31 March 2005. However, no deduction is allowed in respect of:

- a) Ships and Aircraft;
- b) Any machinery or plant which, before its installation by the company, was used either within or outside India by any other person;
- c) Any machinery or plant installed in any office premises or any residential accommodation, including accommodation in the nature of a guest-house;
- d) Any office appliances or road transport vehicles; or
- e) Any machinery or plant, the whole of the actual cost of which is allowed as a deduction (whether as depreciation or otherwise) in computing the income under the head 'Profits and gains from business and profession' of any one FY.

###### **2.2 Carry forward of unabsorbed depreciation, unabsorbed business losses**

- 2.2.1. Under Section 32(2) of the Act, the Company can carry forward and set off unabsorbed depreciation of one Fiscal and adjusted against income of subsequent years.

- 2.2.2. Under Section 72 of the Act, unabsorbed business loss, if any can be carried forward and set off against business profits of subsequent years (upto 8 years) subject to prescribed conditions. However, as per Section 80 of the Act, the unabsorbed business loss can be carried forward only when the return of income has been filed within the time prescribed under section 139(1) of the Act.

###### **2.3 Deduction of expenditure on eligible projects or scheme**

As per the provisions of section 35AC of the Act, the Company is eligible for deduction of any expenditure incurred towards payment of any sum to a public sector company or local authority or an association or institution approved by the National Committee for carrying out any eligible project or scheme, subject to

prescribed conditions.

## **2.4 Amortisation of certain expenditure**

2.4.1 Under Section 35D of the Act, a company is eligible for deduction in respect of specified preliminary expenditure incurred by it in connection with extension of its undertaking or in connection with setting up new unit for an amount equal to 1/5th of such expenditure over 5 successive AYs subject to conditions and limits specified in that Section.

2.4.2 Specified expenditure includes expenditure in connection with the issue, for public subscription, of shares in or debentures of the company, being underwriting commission, brokerage and charges for drafting, typing, printing and advertisement of the prospectus.

2.4.3 Under Section 35DDA of the Act, the company is eligible for deduction in respect of payments made to its employees in connection with his voluntary retirement for an amount equal to 1/5th of such expenses over 5 successive AYs subject to conditions specified in that Section.

## **2.5 Expenditure on skill development project**

As per section 35CCD, the Company would be entitled to a deduction of one and a half times of an amount of expenditure (not being expenditure in the nature of cost of any land or building) incurred on any skill development project notified by the Central Board of Direct Taxes ('CBDT') in accordance with the guidelines as may be prescribed.

## **2.6 MAT credit**

Under Section 115JAA of the Act, tax credit is allowed in respect of MAT paid under Section 115JB of the Act for any AY commencing on April 1, 2006 and any subsequent AY.

The credit eligible for carry forward is the difference between MAT paid and the amount of tax payable computed as per the normal provisions of the Act.

The credit is available for set off only when tax becomes payable under the normal provisions of the Act. The brought forward tax credit can be utilized to the extent of difference between the tax payable under the normal provisions of the Act and tax payable under MAT for that year. Credit in respect of MAT paid is available for set-off up to 10 AYs immediately succeeding the AY for which the MAT credit initially arose.

## **3. Computation of capital gains**

3.1 Capital assets may be categorized into short-term capital assets and long-term capital assets based on the period for which they are held by a tax payer.

Shares in a company or listed securities or units or zero coupon bonds are considered as long-term capital assets if they are held for a period more than 12 months immediately preceding date of transfer. Consequently, capital gains arising on sale of these assets are considered as 'long-term capital gains'.

Capital gains arising on sale of these assets held for a period of 12 months or less are considered as 'short-term capital gains'.

3.2 As per Section 10(38) of the Act, capital gains arising from transfer of a long-term capital asset being an equity share in the Company or a unit of an equity oriented fund, where the transaction of sale is chargeable to Securities Transaction Tax ('STT'), shall be exempt from tax in the hands of the Company.

For this purpose 'Equity oriented fund' means a fund –

- i) Where the investible funds are invested by way of equity shares in the domestic companies to the extent of more than 65% of the total proceeds of such funds; and
- ii) Which has been set up under a scheme of a Mutual fund specified under Section 10(23D).

However, the long-term capital gains arising on sale of share or units referred above shall not be reduced while calculating the book profit under the provisions of Section 115JB of the Act. In other words, such book profit shall include the long-term capital gain as referred to in Section 10(38) of the Act and the Company will be



required to pay MAT @ 18.5% (plus applicable surcharge, education cess and secondary & higher education cess) on such book profit.

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

However, in respect of long-term capital gains, a deduction of indexed cost of acquisition/improvement is available.

Indexed cost of acquisition means the means an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index (CII) for the year in which the asset is transferred bears to the CII for the first year in which the asset was held by the taxpayer or for the year beginning on April 1, 1981, whichever is later. In other words indexed cost of acquisition is computed as under:

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

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

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

- 3.5 As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess). Short-term capital gains arising from transfer of shares, other than those covered by Section 111A of the Act, would be subject to tax at the rate as applicable to the Company i.e 30% (plus applicable surcharge, education cess and secondary & higher education cess).

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

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

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

If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets are transferred or converted into money within 3 years from the date of its acquisition, the amount of capital gains so exempt shall be chargeable to tax during the year of such transfer or conversion.

As long term capital gains covered under Section 10(38) of the Act are exempt from tax, there is no requirement to invest under Section 54EC of the Act in such cases.

#### **4. Set off and carry forward of capital loss**

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

- 4.2 Under section 74 of the Act, the unabsorbed short term capital loss can be carried forward and set off against capital gains (whether short term or long term) of subsequent years (up to 8 years). Unabsorbed long term

capital loss can be carried forward and set off against long term capital gains only in of subsequent years (up to 8 years). However, as per Section 80 of the Act, the unabsorbed capital loss can be carried forward only when the return of income has been filed within the time prescribed under section 139(1) of the Act.

## **5 Computation of income from other source**

- 5.1 As per section 10(15) of the Act, any interest received by the Company from any public sector company in respect of bonds or debentures is exempt from tax. The exemption is subject to such conditions including the condition that the holder of such bonds or debentures registers his name and the holding with that company, as the Central Government may specify in this behalf by notification in the Official Gazette.

### **Dividend**

- 5.2 As per Section 10(34) of the Act, any income received by the Company by way of dividends on which Dividend Distribution Tax ('DDT') has been paid shall not form part of the total income of the Company and accordingly would be exempt from tax in its hands.

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

However, under Section 115-O the Company at the time of declaration of dividend would be liable to pay DDT at 15% (plus applicable surcharge and education cess and secondary & higher education cess) on the total amount declared, distributed or paid as dividends. In calculating the amount of dividend on which DDT is payable, dividends (if any, received by the Company during the tax year and subject to fulfilment of the conditions), shall be reduced by:

- dividends received by the domestic company from a subsidiary of the Company (A company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company); and
- where such subsidiary is a domestic company, it has paid tax payable under section 115-O (DDT) or where such subsidiary is a foreign company, the tax is payable under section 115BBD by the domestic company.

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

For the purposes of determining the DDT an amount declared by way of dividends as reduced by the amount referred in above para, shall be increased to such amount as would, after reduction of the tax on such increased amount at the rate specified for DDT, be equal to the net distributed profits."

- 5.3 As per Section 10(35) of the Act, the following income shall be exempt in the hands of the Company:

- i) Income received in respect of the units of a Mutual Fund specified under clause (23D) of Section 10; or
- ii) Income received in respect of the units from the Administrator of the Specified undertaking; or
- iii) Income received in respect of units from the specified company.

However, as per the proviso to section 10(35), the above provisions are not applicable to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund

## **6. Deduction for donations**

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

## **C. Benefits available to resident shareholders- under the Act**

## **1 Dividend income**

Under Section 10(34) of the Act, any income earned by way of dividends from the Company would be exempt from tax in the hands of the shareholders, if such dividends are subject to DDT under Section 115-O of the Act.

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

As per the provisions of section 14A of the Act, no deduction would be allowed in respect of expenditure incurred in relation to earning of dividend income which is exempt from tax.

## **2 Computation of capital gains :**

2.1 Capital assets may be categorized into short-term capital assets and long-term capital assets based on the period for which they are held by a tax payer. As per the provisions of section 2(42A) of the Act, the shares held in a company or any other security listed on a recognized stock exchange will be considered as short term capital asset if they are held for a period of 12 months or less immediately preceding date of their transfer. If the period of holding of shares is more than 12 months immediately preceding date of transfer, they will be treated as long term capital asset.

The capital gain/loss on sale of short term capital assets is regarded as short term capital loss. The capital gain/loss on sale of long term capital assets is regarded as long term capital loss.

2.2 According to Section 10(38) of the Act, long-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT, shall be exempt from tax.

However, in case of a shareholder being a company, gains arising from transfer of above referred long - term capital asset shall be taken into account for computing the book profit for the purposes of computation of MAT under Section 115JB of the Act.

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

However, in respect of long-term capital gains, a deduction of indexed cost of acquisition/improvement is available.

Indexed cost of acquisition means the means an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index (CII) for the year in which the asset is transferred bears to the CII for the first year in which the asset was held by the taxpayer. In other words indexed cost of acquisition is computed as under:

Cost of acquisition X CII of the FY in which the asset is transferred/ CII of the FY in which the asset was first held by the tax payer.

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

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

2.5 As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess).

Short-term capital gains arising from transfer of shares of the Company, other than those covered by Section

111A of the Act, would be subject to tax as calculated under the normal provisions of the Act.

2.6 Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the Company (other than those covered by section 10(38) of the Act) would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in specified assets, being bonds issued by:

- a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
- b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

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

If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets are transferred or converted into money within 3 years from the date of its acquisition, the amount of capital gains so exempt shall be chargeable to tax during the year of such transfer or conversion.

2.7 As per the provisions of Section 54F of the Act, long term capital gains [which are not covered under Section 10(38)] arising from the transfer of any capital asset (not being residential house property) held by an Individual or Hindu Undivided Family ('HUF') will be exempt from tax, if net consideration is utilised, within a period of one year before or two year after the date of transfer, for purchase of a residential house, or for construction of a residential house within three years. The exemption is available subject to fulfilment of prescribed conditions.

2.8 Under section 70(2) of the Act, the short term capital loss can be set off against other short term capital gain or long term capital gain. Under section 70(3) of the Act, the long term capital loss can be set off against other long term capital gain.

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

### **3 Deduction of STT while computing business income**

As per Section 36(1) (xv) of the Act, the STT paid by the tax payer in respect of the taxable securities transactions entered into in the course of business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head 'Profits and gains of business or profession'.

### **4 Income from other sources**

As per the provisions of section 56(2) (vii) of the Act, where any property, other than immovable property (including shares) is received by an individual/ HUF: -

- without consideration and the aggregate fair market value of such property exceeds ₹ 50,000, or
- for a consideration which is less than the aggregate fair market value of such property by at least ₹ 50,000, then the difference between fair market value and consideration paid will be taxable as income from other sources.

This provision is applicable only if shares are held by the shareholders as a capital asset.

This provision is not applicable where shares are received in any of the following modes, namely –

- 1) From any relative;
- 2) On the occasion of marriage of the individual;
- 3) Under a will or by way of inheritance;

- 4) In contemplation of death of the payer or donor;
- 5) From any local authority as defined in Explanation to Section 10(20);
- 6) From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in Section 10(23C); or
- 7) From any trust or institution registered under Section 12AA.

**D. Benefits available to Non-resident shareholders (Other than Foreign Institutional Investors) under the Act**

Provision of benefit available to resident shareholders stated under part C **Benefits available to resident shareholders** of this annexure are applicable (except point no. 2.4 above) to Non- resident shareholder also.

**1. Special benefit available to Non-resident Indian shareholders**

- 1.1. As per the First proviso to section 48 of the Act contains special provisions relating to computation of capital gains, in the hands of non-residents arising from transfer of shares of an Indian company which were purchased in foreign currency.

In such a case, the capital gains are computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with transfer and the full value of consideration into the same foreign currency that was initially used to purchase of such shares. The capital gain so computed in the original foreign currency is reconverted into Indian Rupees at the prescribed exchange rate. The said manner of computing capital gains is used in respect of capital gains accruing or arising from every reinvestment thereafter in and sale of shares of an Indian company.

The non-resident shareholders are not entitled to indexation benefit (for a detailed discussion on indexation, refer para 2.4 above).

- 1.2. In addition to some of the general benefits available to non-resident shareholders, where ‘specified assets’ (as defined in Section 115C (f) of the Act, which includes equity shares in the Company) have been subscribed or acquired or purchased by Non-Resident Indians, they have the option of being governed by the provisions of Chapter XII-A of the Act, which *inter alia* entitles them to the benefits mentioned below.

As per section 115C (e) of the Act, a ‘non resident Indian’ (NRI) has been defined to mean an individual being citizen of India or person of Indian origin who is not a resident.

- 1.3. As per the provisions of section 115E of the Act, investment income (income derived from specified assets other than dividends referred to in section 115O) or income from long- term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% in the hands of a NRI. Income by way of long term capital gains in respect of a specified asset, shall be chargeable to income tax at the rate of 10%. The rates would be increased by the applicable rate of surcharge education cess and secondary & higher education cess.
- 1.4. Under provisions of Section 115F of the Act, any long term capital gains arising from the transfer of shares of the Company acquired in convertible foreign exchange shall be exempt from tax if the whole or any part of the net consideration (consideration less expenditure incurred wholly and exclusively on transfer) is reinvested within six months of the date of the transfer in any ‘specified assets’ or savings certificates referred to in clause (4B) of section 10.

If only a part of the net consideration is reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax as “capital gains” subsequently, if the specified assets or savings certificate are transferred or converted into money within three years from the date of their acquisition. The taxability shall arise in the year in which the transfer or conversion, as the case may be, takes place.

- 1.5. As per the provisions of section 115D, no deduction is allowed for any expenditure or allowance under any provision of the Act in computing the investment income of the NRI. Further no deduction is allowed to NRI under chapter VIA against investment income or income by way of long term capital gains. The benefit of indexation is also not available.
- 1.6. As per the provisions of Section 115G of the Act, NRIs are not required to furnish a return of income under

Section 139(1) of the Act, if:

- Their income chargeable under the Act consists of only investment income or long term capital gains arising from the transfer of specified asset or both and;
  - Tax deductible at source has been deducted as per the provisions of Chapter XVII-B of the Act from the income.
- 1.7. As per the provision of Section 115H of the Act, where a person who is NRI in any FY, becomes assessable as resident in India in respect of total income of any subsequent year, the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income derived from any foreign exchange asset being an assets specified in sub clause (ii), (iii), (iv) or (v) of Section 115(C)(f) for that AY and for every subsequent AY until there is transfer or conversion into money of such asset. For this provision to apply, NRI is required to file a declaration along with his return of income for the AY in which he becomes assessable as resident in India.
- 1.8. In accordance with Section 115I of the Act, where a NRI opts not to be governed by the provisions of Chapter XII-A for any AY, his total income for that AY (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Act.

#### **E. Benefits available to Foreign Institutional Investors ('FIIs') under the Act**

Provision of benefit available to resident shareholders under part C **Benefits available to resident shareholders** of this annexure are applicable (except point no. 2.4, 2.6 and 2.7) to **FIIs also**.

##### **1.1. Taxability of capital gains**

- 1.2. As per the provisions of Section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under Section 10(38) of the Act at the rates as follows:

<i>Nature of income</i>	<i>Rate of tax (%)</i>
Long term capital gain [other than the short term capital gain covered by the provisions of section 10(38)]	10
Short term capital gain (other than the short term capital gain covered by the provisions of section 111A)	30

The above tax rates would be increased by the applicable rate of surcharge education cess and secondary & higher education cess.

The benefits of indexation and foreign currency fluctuation protection are not available to an FII.

The above mentioned capital gains are not subject to tax deduction at source as per the provisions of section 196D(2) of the Act.

#### **F. Benefits available to Mutual Funds under the Act**

As per the provisions of Section 10 (23D) of the Act, any income of:

- (a) A mutual fund registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under;
- (b) Mutual Funds set up by public sector banks or public financial institutions or authorised by the Reserve Bank of India

would be exempt from income-tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of Section 115R of the Act.

#### **F. Benefits available to Venture Capital Companies/Funds**

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

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

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

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

#### **G. Benefits available under the Wealth-tax Act, 1957**

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

#### **H. Benefits available under the Gift-tax Act, 1958**

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. However as per the provisions of Section 56(2)(vii) of the Act, value of any property including shares and securities received without consideration or for inadequate consideration will be included in the total income of the recipient and be subject to tax, unless exempt (for detailed discussion, refer 4 of part C above).

#### **I. Loss under the head ‘Capital Gains’**

In general terms, loss arising from transfer of a capital asset in India can only be set off against capital gains. Long term capital loss arising on sale of equity shares not subjected to STT during a year is allowed to be set-off only against long term capital gains. A short term capital loss can be set off against capital gains whether short term or long term. To the extent that the loss is not absorbed in the year of transfer, it may be carried forward for a period of 8 years immediately succeeding the year for which the loss was first determined and may be set off against the capital gains assessable for such subsequent years. In order to set off a capital loss as above, the investor (resident/ non- resident) is required to file appropriate and timely income-tax returns in India.

#### **Notes:**

- 1) The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
- 2) The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current Tax Laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Tax Laws;
- 3) 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, the changing Tax Laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;
- 4) The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.
- 5) The tax rates (including rates for tax deduction at source) mentioned in this Statement are applicable for FY 2014-15 (AY 2015-16) and are exclusive of surcharge, education cess and higher education cess.

Surcharge @ 10% of income tax is applicable in case of individuals where total income under the Act exceeds

₹ 1 crore.

Surcharge @ 5% is applicable in case of resident companies where total income under the Act exceeds ₹ 1 crore and is upto ₹ 10 crore. If the total income of the resident companies exceeds ₹ 10 crore, surcharge would be leviable @ 10%.

In case of foreign companies, surcharge @ 2% is applicable in case of where total income under the Act exceeds ₹ 1 crore and is upto ₹ 10 crore. If the total income exceeds ₹ 10 crore, surcharge would be leviable @ 5%.

- 6) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country/specified territory (outside India) in which the non-resident has fiscal domicile
- 7) Amendments/provisions proposed in Budget 2015 are yet to be enacted as Act and hence not considered in this annexure.

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No.:101248W/W-100022

**Pravin Tulsyan**

Partner

Membership No.: 108044

Place: Gurgaon

Date: 27 April 2015



## SECTION V: ABOUT THE COMPANY

### INDUSTRY OVERVIEW

Unless otherwise stated, the information in this section is derived from “Indian Clothing Industry Report – January 2015” prepared by ICRA Management Consulting Services Limited (IMaCS).

All information contained in the report has been obtained by ICRA Management Consulting Services Limited (IMaCS) from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided ‘as is’ without any warranty of any kind, and IMaCS in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information and estimates contained herein must be construed solely as statements of opinion, and IMaCS shall not be liable for any losses incurred by users from any use of this publication or its contents.

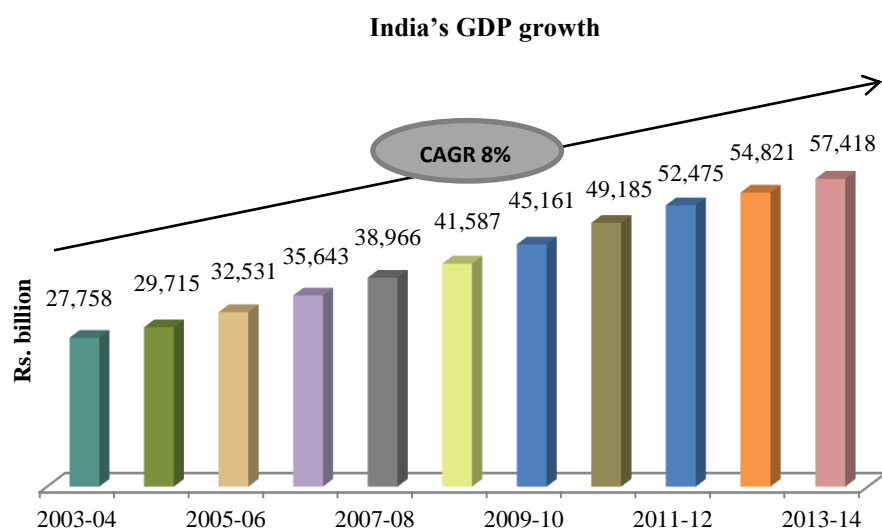
#### OVERVIEW OF THE INDIAN ECONOMY

India is the 10th largest economy in the world in terms of Gross Domestic Product (GDP). India has been ranked among the top three attractive destinations for inbound investments. Indian economy is expected to grow by 5.5 % during the year ended 31 March 2015. The revival of investment with another round of easing of interest rates expected in mid-2015 and higher growth in the industrial sectors is expected to contribute to the GDP growth.

Indian economy offers enormous long-term advantages, such as a young demographic base, growing incomes, an expanding (and globalized) middle class, an educated workforce, and a stable democracy. Sectors that are expected to perform very well in the coming days include consumer products and organized retail, automotive, banking, financial services and insurance, Information and communication technology (ICT) and life sciences.

#### Growth in GDP and Per capita Income

India's GDP at factor cost has grown at a CAGR of about 8% from ₹ 27,758 billion in 2003-04 to an estimated ₹ 57,418 billion in 2013-14. The GDP grew at an unprecedented rate of over 9% from 2005-06 to 2007-08. Indian economy also recovered swiftly from the global economic crisis of 2008-09. However, the growth slid thereafter because of internal and external reasons including slowdown in export market, high inflation, deteriorating current account deficit and high fiscal deficit. The economy is poised for over 5 % growth, leaving behind the slow pace of the last two years.



The shares of key sectors of economy in GDP have remained more or less the same in 2013-14 as compared to 2004-05. The per capita domestic product has increased from ₹ 22,985 to ₹ 39,904 during this period.

#### Growth of the Indian Middle Class

The concept of the Middle Class gained momentum during the years of strong economic growth that followed the liberalization reforms initiated in 1991, and has grown over the last 10 to 15 years. The Indian Middle Class is estimated to be 20 % of the total population. Also, for the first time in 2010, the number of middle-income households has exceeded that of low-income ones, indicating the changing income profiles of Indian households. The reasons behind emergence of middle class include the following:

- Increase in income
- Education
- Increasing working women
- Emergence of nuclear families
- Urbanisation
- Easier access to finance
- Rising awareness through internet

In terms of economic affordability, in India, the Upper Class tend to buy more of fine jewellery and shop at exclusive retailers. The Lower Class are more focussed on satisfying their necessities. The Middle Class is between them and wants both necessities and luxuries, but at reasonable rates. Sectors that benefit from the growth of Middle Class include food and beverages, personal care, branded apparel, entertainment and consumer durables.

## ▪ **OVERVIEW OF GLOBAL CLOTHING INDUSTRY**

The World Textile and Clothing (T&C) market has grown at a Compound Annual Growth Rate (CAGR) of 25% between 2003 and 2014. The current global apparel market is estimated at US\$ 1.1 trillion, about 2% of the world GDP and is estimated to reach US\$ 2 trillion by 2024.

The Textile, Clothing and Footwear sectors are one of the most globalized sectors, providing employment to over 60 million worldwide.

80% of the world's spinning capacity is in five Asian countries - China (120 million), India (49 million), Pakistan (12 million), Indonesia (9 million) and Bangladesh (9 million). Developed economies have now emerged as major consuming hubs while developing economies are still evolving as consumers. India has the second largest textile manufacturing infrastructure in the world after China. India is also the world's second largest textile exporter after China.

## ▪ **OVERVIEW OF TEXTILE INDUSTRY IN INDIA**

The Indian T&C industry has a great variety, with the hand-spun and hand-woven sector at one end of the spectrum, and the capital intensive sophisticated mill sector at the other. India's decentralized power looms, hosiery and knitting sector form the largest section of the textiles sector.

Contributing about 27 % of global cotton supply, India has the second largest textile manufacturing capacity globally. India is one of the few countries in world which has production at each level of textile manufacturing such as fibre manufacturing, spinning, weaving, knitting, processing and garmenting.

India is also currently the world's second largest textile exporter after China and has overtaken Italy, Germany and Bangladesh. India has a 63 % share in world T&C market, having the highest loom capacity (including handlooms). The Indian textiles industry accounts for about 24% of the world's spindle capacity and 8% of global rotor capacity. In India, the T&C industry is considered a 'Sunrise industry'

As of March 2014, the Indian T&C market size was valued at ₹ 6.6 trillion. This comprises of both domestic market at ₹ 4.2 trillion and export value of about ₹ 2.4 trillion. The market has grown at a CAGR of 13 % between 2008-09 and 2013-14. It is projected to reach ₹ 25 trillion by 2025 growing at a CAGR of 12 %.

## ▪ **OVERVIEW OF BRANDED APPAREL INDUSTRY IN INDIA**

As of December 2014, the global apparel market is estimated at ₹ 70 trillion. Of this, 75 % is taken by the EU-27, USA, China and Japan. India occupies sixth position in the world apparel market. The apparel industry has a lot of variety, shorter product life cycle due to changing demand and a long and rigid distribution network.

Branded apparel is growing because of a number of reasons such as the growth of organized retail, rising disposable incomes, increasing discretionary spend, fashion awareness, e-tailing of apparels, brand consciousness, presence of international brands, and changing demographics. A younger demographic adopting new trend is driving demand for western clothing.

Domestic apparel players include FabIndia, Manyavar, Biba, Soch, Jashn, Chemistry, AND, Monte Carlo, Numero Uno, Reliance Trends, Pantaloons and Fashion Bazaar. Domestic players have entered into marketing tie-ups with popular foreign brands. India is the preferred destination for many global brands such as Zara, Gap, Marks & Spencer, Bossini, Giordano, US Polo Association, Manchester United, Mango, H&M, Tommy Hilfiger, Cherokee, Dorothy Perkins, Dickies, etc. All global major brands and chain stores are sourcing from India.

## India's consumer market

India's market is consumer-driven, owing to its huge 1.2 billion populations. The Indian consumer segment is broadly divided into rural and urban markets. Rapid growth and urbanization have brought a sea-change in the preferences of Indian consumers. This change in customer preferences is most apparent in the fashion apparel industry. Men have been the early-adapters of western-wear in India, with many preferring readymade garments since 1990s. The internet along with the fashion and lifestyle media has fuelled a growing awareness of global fashion trends. Thus, the typical middle class consumer is aware of the international styles and the lifestyle attributes associated with a brand, thus leading to significant growth of organized retail in India.

### Current Trends

Indian consumers are shifting from stitched apparel to ready-to-wear garments. More Indian consumers are desirous of buy branded clothes. Indian companies are partnering with luxury brands desiring to enter into India. There is a growing demand for organic and environment-friendly fibres. Textile companies are strengthening their forward and backward operations through mergers and acquisitions.

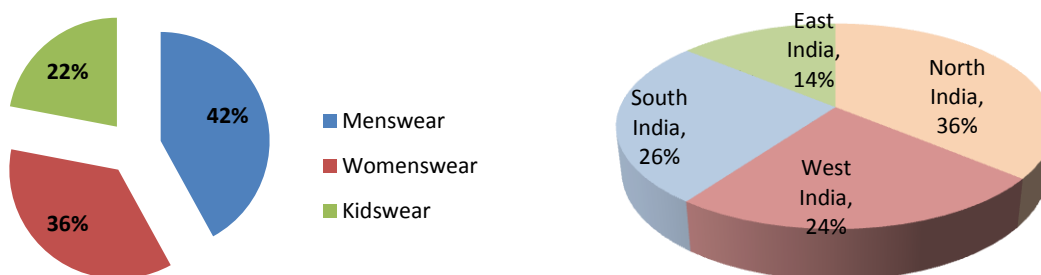
### Discretionary vs. Non-Discretionary Spending in India

According to VISA Affluent Survey, 2014, India comes second only to China in discretionary spending. As many as 60 % of affluent consumers in India, plan to increase their discretionary spend in the coming year. On an average, around nine among 10 affluent Indians indulge in ₹ 25,000 monthly on discretionary spending on dining, night-outs, holidays and purchasing designer apparel. Among them, 92 % is spent on fine dining, 80 % on designer clothes, 79 % spent on family holidays and 68 % spent on jewellery.

### Market Segments

The Indian branded apparel industry consists of Men's-wear, Women's-wear and Kid's-wear. Branded apparel consumption is the highest in North India, followed by South India. Among the segments, branded apparel penetration is highest among men's formal wear and women's western wear.

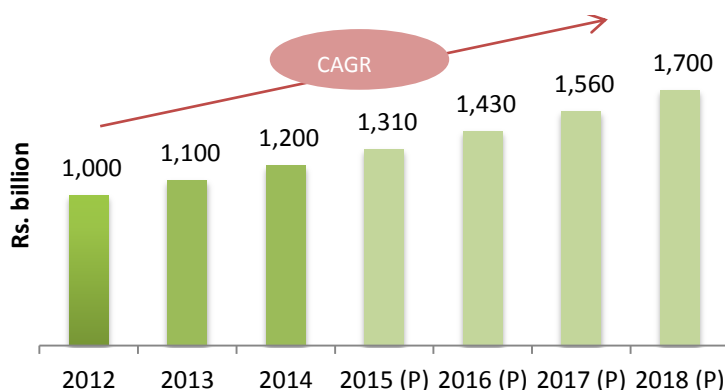
### Indian branded Apparel industry segmentation & region wise split of apparel consumption



### Menswear

Menswear accounts for 42 % of the total branded apparel market. As of December 2014, the Indian Menswear market was worth ₹ 1.2 trillion and formal menswear market is estimated at ₹ 300 billion. The segment is expected to grow at a CAGR of 9 % in the next four years.

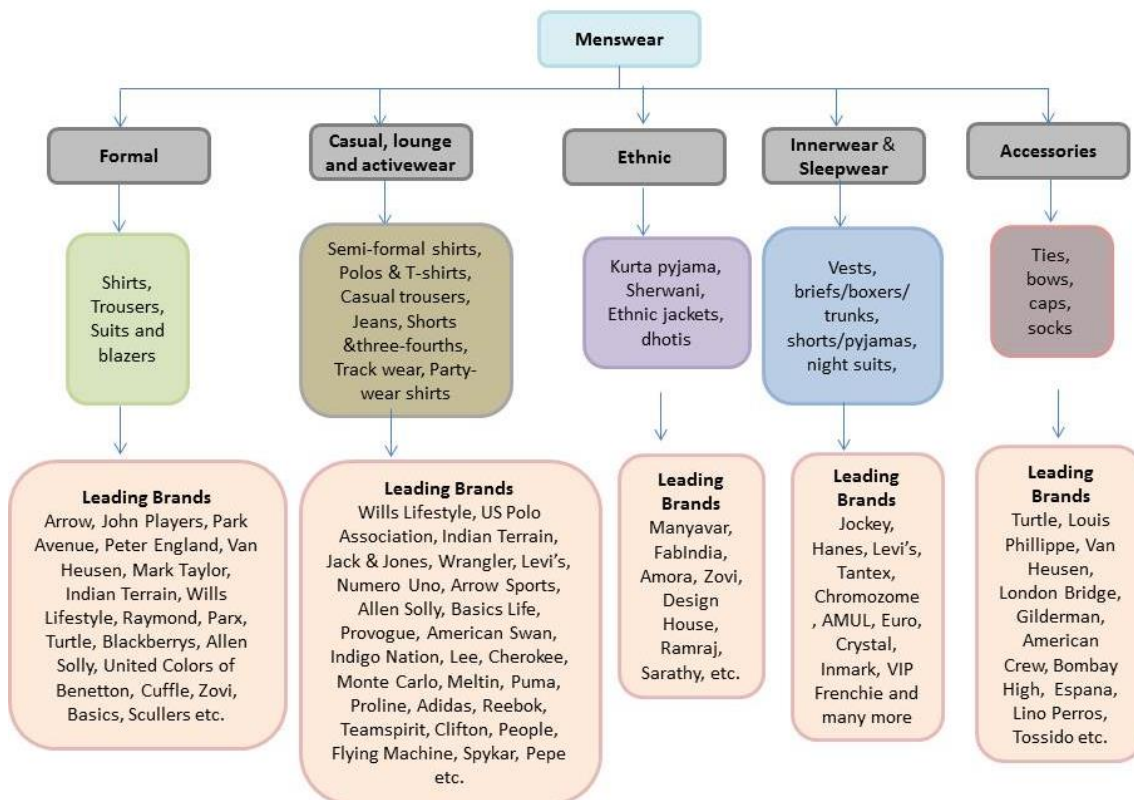
### Indian Menswear market



P: Projected

The market is dominated by preferred product categories such as shirts and trousers. However, western wear categories such as denim, active-wear and t-shirts are the fastest-growing categories.

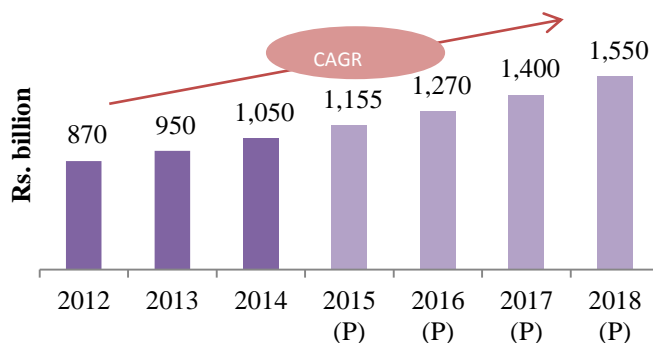
### Menswear categories and leading brands



### Women's-wear

Women's-wear accounts for 36 % of the total branded apparel market In India. As of December 2014, the Indian women's-wear market is worth nearly ₹ 1.1 trillion and is mainly dominated by unorganized players. The market is expected to grow at a CAGR of 10 % in the next four years.

### Indian Women's-wear Market



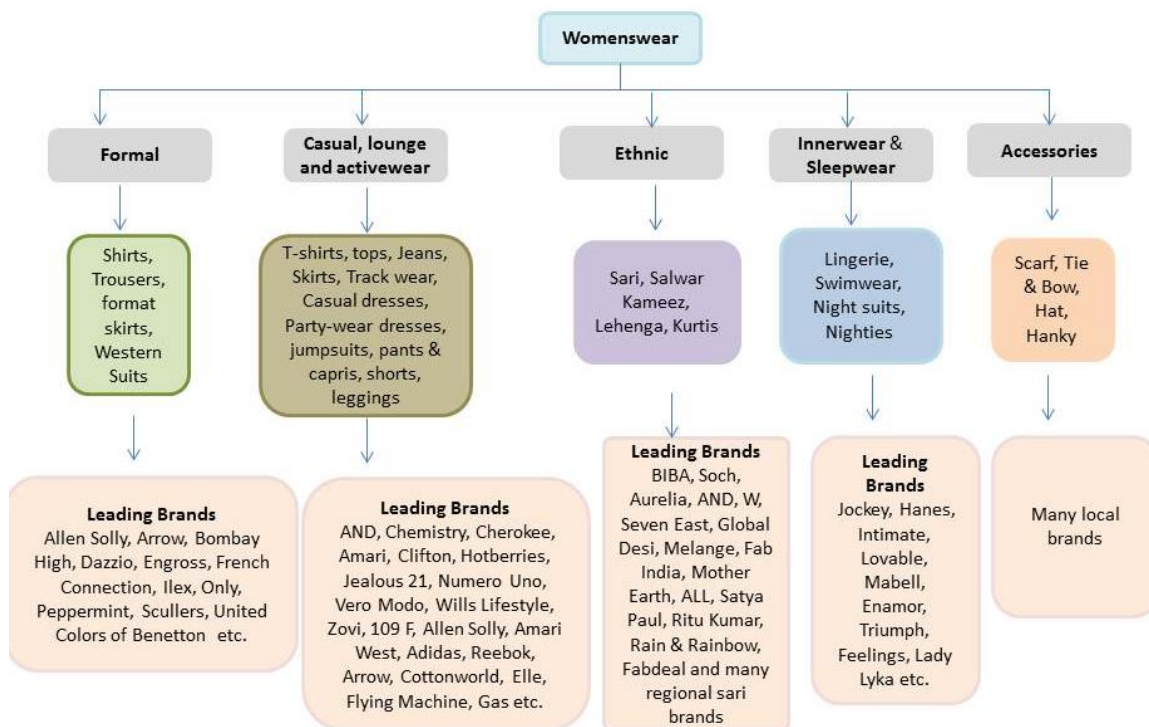
P: Projected

Women's-wear is a mix and match of various types of apparels such as salwar-kameez-dupatta, tops and skirts, t-shirts

and jeans, dresses, formal shirts and trousers etc. The Indian Women's-wear market is also shifting from ethnic wear to western wear because of increasing participation of women in workforce and their general inclination to wear western clothes.

The leading ethnic women's-wear brands in India include Soch, Jashn, Biba, Aurelia, AND, W, Seven East, Global Desi, Melange, Fab India, Awesome, Mother Earth and ALL. Major western wear brands in India include Chemistry, Allen Solly Women, Bebe, Mango, Numero Uno, Forever 21, Guess, Van Heusen Women, Elle, Kazo, AND, W and Marks & Spencer.

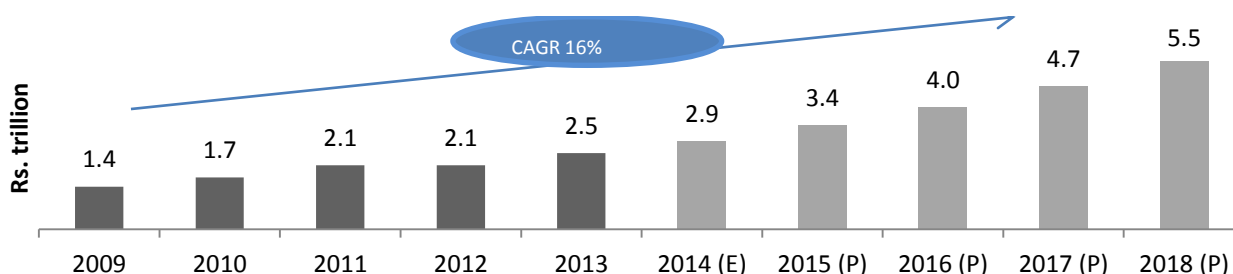
### Women's-wear categories and brands



### Branded Apparel Exports

During 2014, it is estimated that India exported branded apparel worth ₹ 2.9 trillion. The Indian branded apparel exports have registered a CAGR of 16 % between 2009 and 2014. India exports a large volume of track suits, ski suits, swimwear, innerwear, nightwear, shirts, shirt-blouses, t-shirts, ensembles, jackets and suits. The main markets for Indian apparel are the US and the EU.

### India's branded Apparel Exports

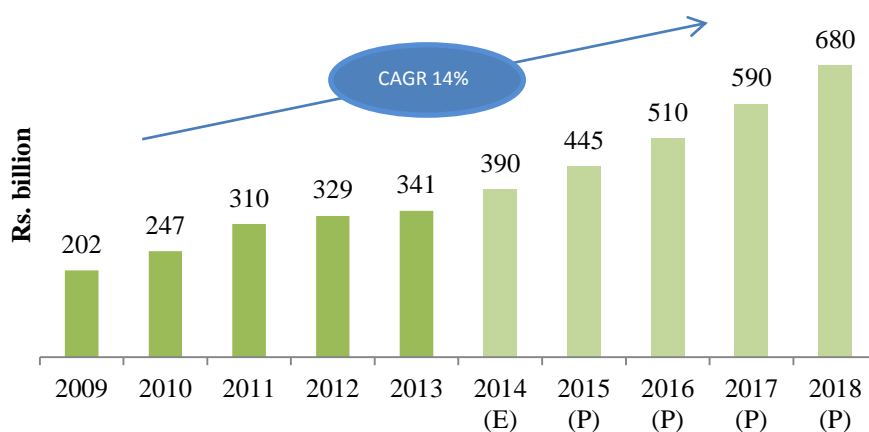


E: Estimated, P: Projected

### Branded Apparel Imports

During 2014, it is estimated that India imported ₹ 390 billion worth of branded apparel. The Indian apparel imports have registered a CAGR of 14 % between 2009 and 2014.

## India's branded Apparel Imports



E: Estimated, P: Projected, Source: UN Comtrade and IMAcS analysis

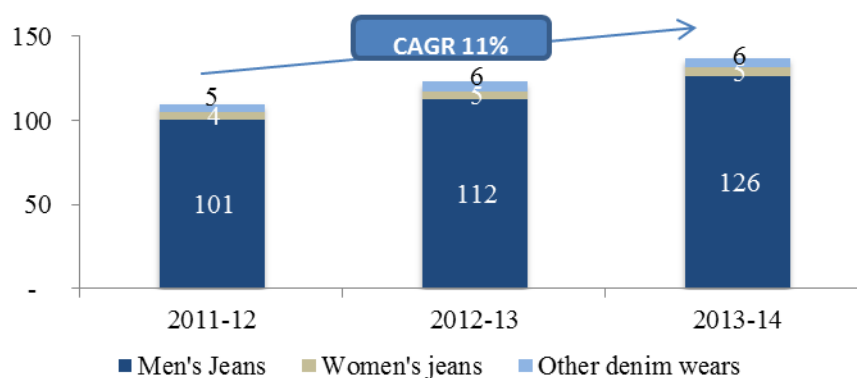
### OVERVIEW OF INDIAN DENIM INDUSTRY

Denim is a fabric that is never expected to go out of fashion. There are various cuts in denims available such as Classic, Boy Friend, Boot-cut Style, Cargo, Chino Pants, Denim Shorts and Fantastic Flare. Denim manufacturers are also coming up with variations such as water-repellent denims, abrasion-resistant denims, jeans from recycled plastic bottles, denims woven with advanced thermos-regulating fibres, etc.

The denim manufacturing capacity across the world is estimated to be of 7.7 billion metres, with over 70% of production coming from Asia. China is the largest denim fabric manufacturer with capacity of close to 3 billion metres, followed by India having a capacity of over 1 billion metres. Other key denim manufacturing countries are Pakistan, Bangladesh, Turkey and USA.

The domestic market for denim wear is estimated to be 328 million pairs worth at ₹ 137 billion for 2013-14. 95% of this demand is for jeans bottoms. Out of the total demand for jeans bottoms the market for men's wear is 95% at ₹ 126 billion while the market for women's jeans is limited at just ₹ 5 billion. The market is growing at 11% per annum with a volume growth of 8%.

Domestic Market size of denim (₹ billion)

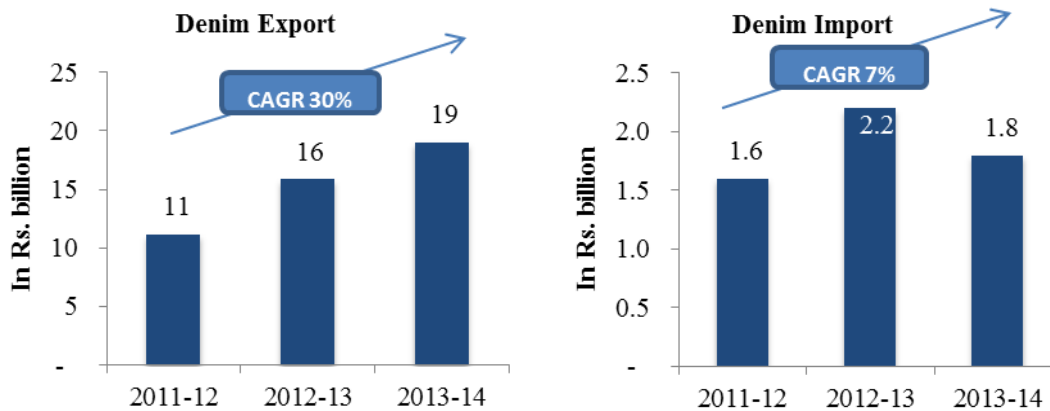


The total denim manufacturing capacity in India is pegged at one billion metres close to 630 metres of which caters to domestic demand. Another 108 million metres are exported as fabric and garment from India. The capacity utilization of the denim industry is estimated to be 74%.

### Export-Import Trends

The export of denim fabric has seen a rapid growth in the three years growing at 30% year on year and is estimated at ₹. 19 billion for 2013-14. The key importing countries are Bangladesh, Turkey and Sri Lanka. Indian denim imports are 10.67 million sq. metres valued at ₹. 1.8 billion growing at 7% CAGR. The key countries supplying to India are Pakistan, China and Turkey.

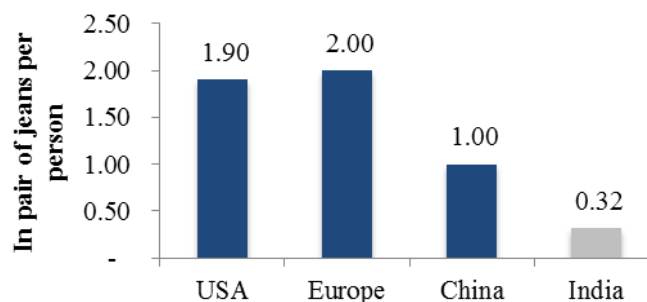
#### Export & Import trends – denim



The Indian denim market is driven by factors such as a favourable demographic profile, good retail penetration, awareness of latest trends, rapid growth in Tier II and III cities, availability of leading global brands, and denim wear endorsements by celebrities. The current Indian market is mostly skewed towards the metros and key Tier I cities which account for over 50% of the total denim demand, having presence from both key National and International brands. However, with growing aspiration level of people in Tier II, III and IV cities coupled with rising brand awareness, the inspirational youth in these smaller urban areas have started opting for National brands like Numero Uno, Killer, Flying Machine in comparison to local and private labels, opening newer markets for branded denim retail.

Another key factor indicating a large untapped market in India is the small per capita consumption of denim in India compared to other developed and developing economies. The per capita consumption of jeans in India is less than one jeans per annum. This indicates that there is a lot of scope for growth in the current market when compared to the developed countries like USA and Europe where the average consumption is over six times of what it is in India.

#### Per capita consumption of denim



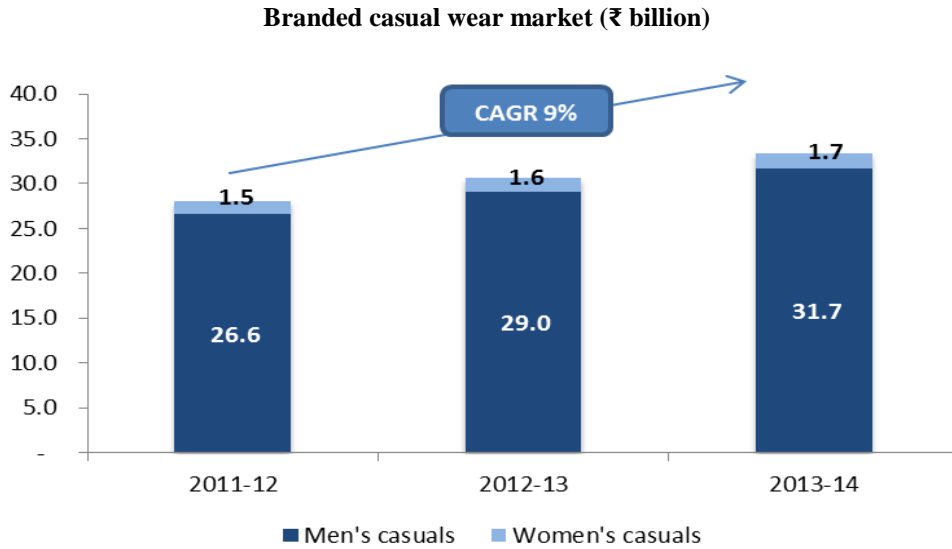
### OVERVIEW OF BRANDED CASUAL-WEAR AND ACCESSORIES SEGMENT

The casual wear market in India comprises of men's and women's casual wear. This comprises of casual shirts, trousers, t-shirts, tops, skirts, active-wear and daily wears. The Men's casual wear market is dominated by the shirts and casual shirts while that of women is dominated by T shirts and casual dresses and skirts.

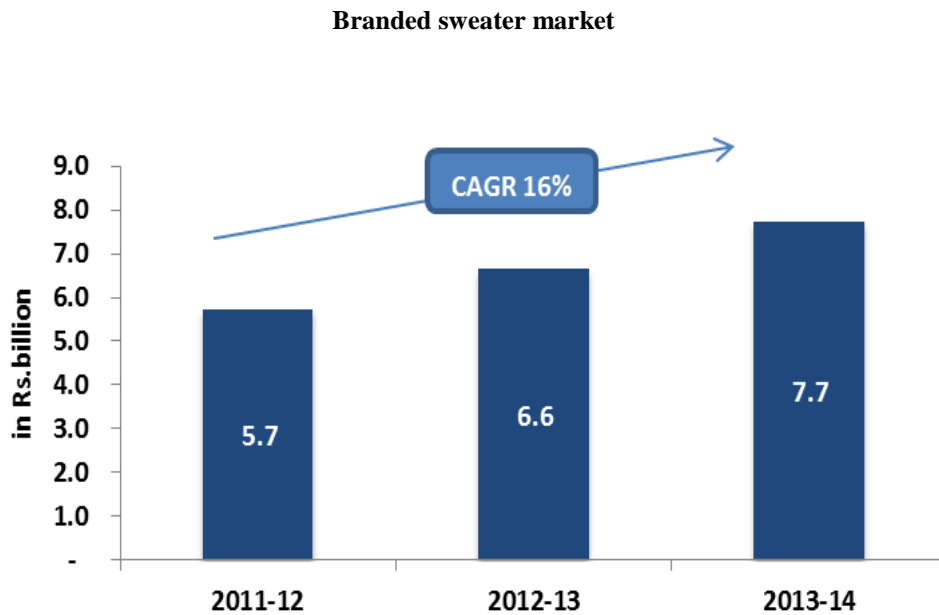
The total domestic casual wear market is estimated at 945 million pieces, with branded casual clothing accounting for 7 % of the market by volume. The total branded market of casual wears is estimated at ₹ 33.4 billion for 2013-14 with the men's casual segment accounting for 94% of the market at ₹ 31.7 billion. In the men's wear segment the demand for

casual shirts is fast catching up and they account for over 40% of the total men’s casual wear demand followed by T-shirts. The majority of the demand comes from the urban market which accounts for 90% of total branded sales.

The market growth of branded casuals is as shown below:



Branded sweaters and pullovers is another key men’s winter wear segment that is gaining importance in the world of casual dressing. The branded sweater market is estimated to be worth ₹ 7.73 billion growing at 16% per annum during the last three years.

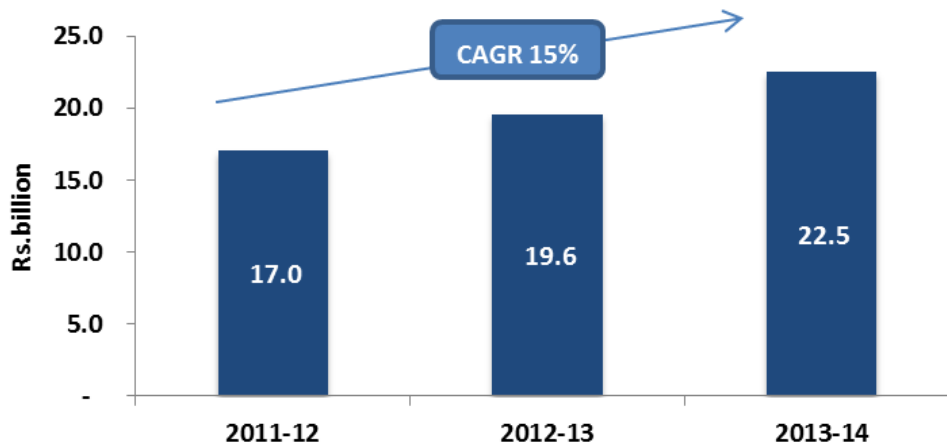


The accessories can be classified as casual footwear, eye-wear, time-wear, jewellery, apparel accessories like shawls, scarves, stoles, duppattas, as well as deodorants and other fashion accessories like bags, wallets, belts, etc.

Casual footwear is one of the largest segments of the Indian footwear industry estimated to ₹ 150 billion in 2013-14, making up for 61% of the ₹ 250 billion footwear industry of India. Close to 85% of this industry is un-organised targeted at economy and mass markets. The branded footwear sales in India is limited to ₹ 22.5 billion, dominated by the domestic players – Bata India, Relaxo and Liberty. The market has been growing at 15% per annum and is expected to grow in a similar fashion. The total market for casual footwear is as shown:

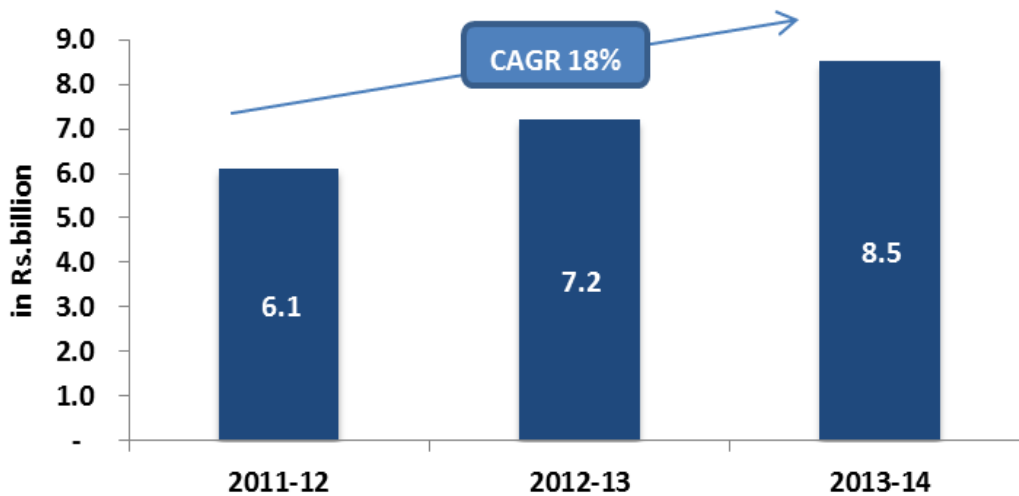


### Branded casual footwear market



The total market for other fashion accessories is estimated to be of ₹ 53 billion. The major chunk of the market is for handbags and belts. The market is highly un-organised with branded sales limited to 16% of the market for bags, belts, wallets, etc. The total branded market for other fashion accessories is estimated to be ₹ 8.5 billion. The market is in its nascent stages growing rapidly at 18 % per annum driven primarily by the ladies handbag segment. The annual movement of the market is shown as under:

### Branded fashion accessories market

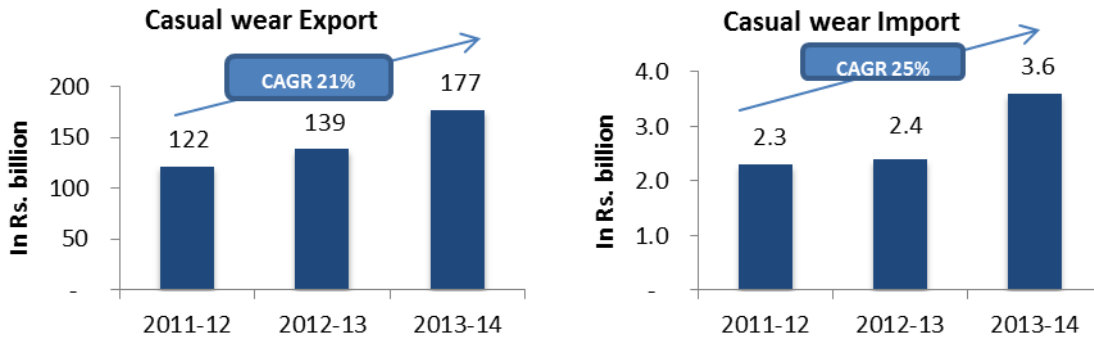


The market for casual accessories is growing at 18% driven primarily by the women hand bag segment. A major demand for the products comes from the unorganised sector. However, with growing awareness and increasing presence of global brands and rising aspirations of Indian women the market for branded accessories especially in the ladies handbag segment is expected to grow significantly in coming years.

### Export-Import Trends

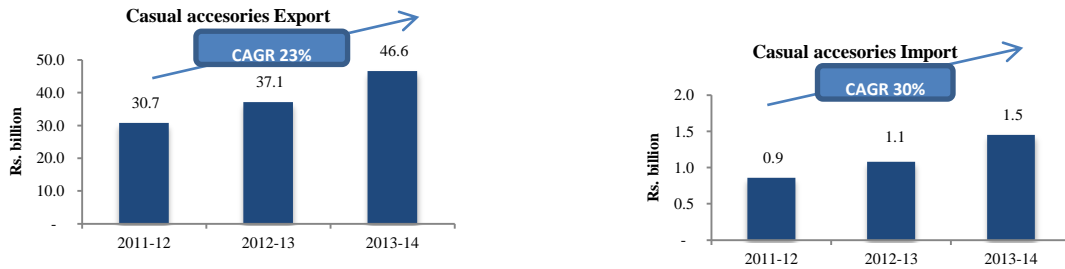
T shirt exports from India dominate the total casual wear exports, accounting for over 80 % of total exports. The exports have witnessed a sturdy 21 % growth in the last three years and were estimated to be ₹ 177 billion in 2013-14. The key importing locations were USA, Germany, UK, France and UAE. The imports of casual wears in India were limited at ₹ 3.6 billion in 2013-14 witnessing a growth of 25 % during the last three years. The major countries supplying casual wears to India were Bangladesh, China, Spain and Turkey.

### Export & Import trends – Casual wears



The export of casual accessories like bags, wallets and belts from India is estimated to be ₹ 46.6 billion for 2013-14 with a growth of 23 % in the last three years. The exports are dominated by Leather based products - wallets, purses and ladies handbags. The export destinations are USA, UK, Germany, Italy and Spain. The import of other fashion accessories in India is estimated to be of ₹ 1.5 billion. It has witnessed a 30 % CAGR growth during the last three years. The key countries exporting to India are China, Italy, France, Vietnam and Germany.

### Export & Import trends – Accessories



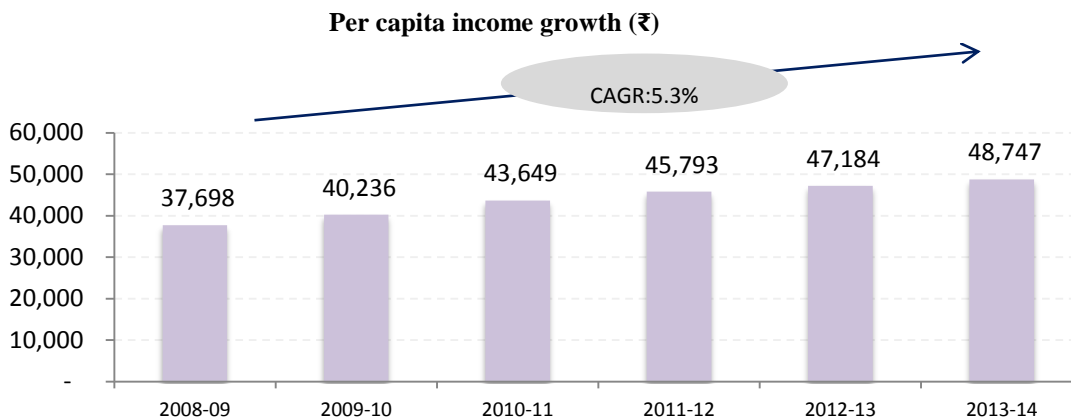
#### ▪ GROWTH IN DENIMS, BRANDED CASUAL-WEAR AND ACCESSORIES

##### Key Growth Drivers

The key growth drivers for the denim, casual wear and accessories market are growing disposable income and the favourable demographic pyramid of India, which is fuelling spending on casual wears.

##### • Growing per capita income and spending on clothing

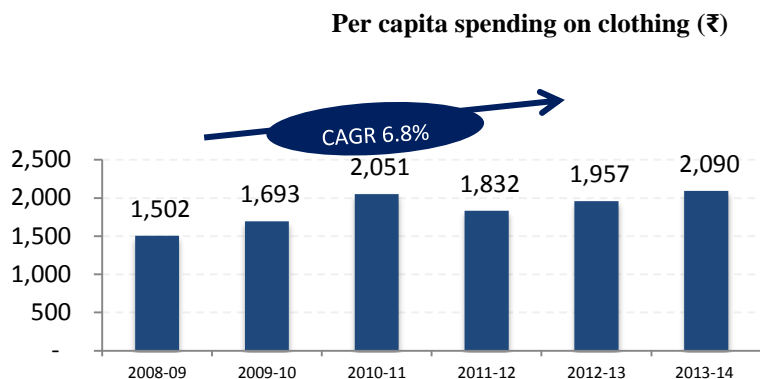
The per capita income of India is increasing at a steady rate of 5.3% at constant prices, leading to increase in the purchasing power of the nation.



The

continuous increase in per capita income has led to higher disposable income which is driving growth of the spending on

clothing, footwear, fashion and leisure products. In addition with a take salaries at tier I and tier II cities improving coupled with the low cost of living in those cities, the spending capacity has significantly improved. Supported by increasing awareness of brands and willingness to wear premium and mid-premium brands amongst the youth in these cities the market is expected to see a steady boost in the smaller cities across India. The average per capita spending on clothing has seen a 7 % growth during the last five years.



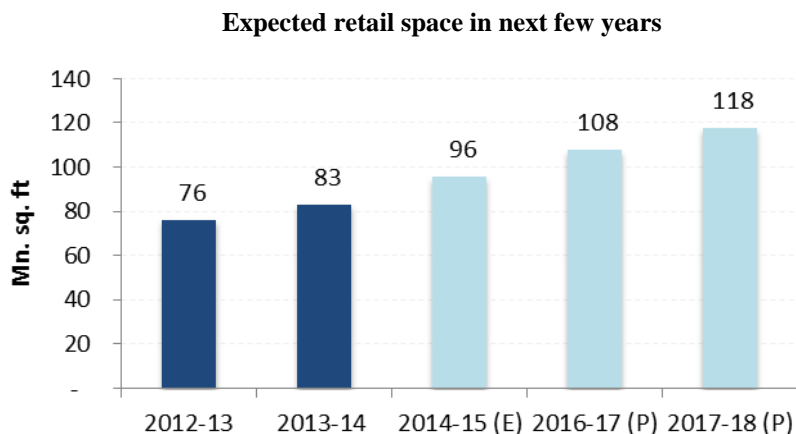
- Growing Urbanisation and favourable demographics**

The urban population of India is growing at a rate of 2.8 % per annum compared to our population growth of 1.6 % per annum. As most of the branded and organised sales occur in the urban region, the migration of population towards the urban areas is creating new potential markets for targeting.

In addition to this, India has favourable demographics, where in 67 % of population lies in the earning age group of 15 to 59 and out of which 18 % is young work force aged below 25. A majority of demand for casual wears is generated by the young work force and college students; as a result the market acceptability of casual wears, denims and fashion accessories is expected to grow steadily in future.

- Growing organised retail space across the country & e- tailing**

The organised retail space in the key metros and elsewhere is expected to grow significantly in the coming few years, as most of the projects are expected to reach completion. This would aggressively promote organised retail which is expected to drive branded sales. A total of 8 million sq. ft. retail space in terms of malls is expected across the 10 key metros in the Nation. The total retail space across the key metros is expected to grow by 24.9 million sq. ft. area by 2015. The key metros - Delhi, Mumbai, Chennai and Bangalore account for 82% of total mall space across the country loosely followed by upcoming metros and tier I cities like Pune, Hyderabad and Ahmedabad.



In addition to this, the growing e-tailing is also expected to help grow the organised branded sales for denims, casual wears and accessories. Apparel e – tailing has grown at a significant pace becoming the most preferred product to be purchased online after travel and hotel solutions. Apparel e-tailing registered a total of 8.5 million e tailing hits in 2014 surpassing all other products. The growth story of the key apparel e-tailing brand like Jabong, Myntra, Yepmee and Flipkart posts a very similar finding with each of the brands growing at a rate of over 40% per annum in term of total sales. The growing e-tailing has also made it possible for aspirers at smaller cities to own a brand of their choice through the e-tailing medium. The sales revenue of few of the key online e-tailing brands are as shown below:

### Key apparel e-tailing brands

Sl. No.	Company	2012-13	2011-12	2010-11	Growth 2012-13
1	Jabong	2,027	47		4218%
2	Myntra	2,125	625	181	240%
3	Yebhi	886	594	122	49%
4	Flipkart	11,801	2,048		476%

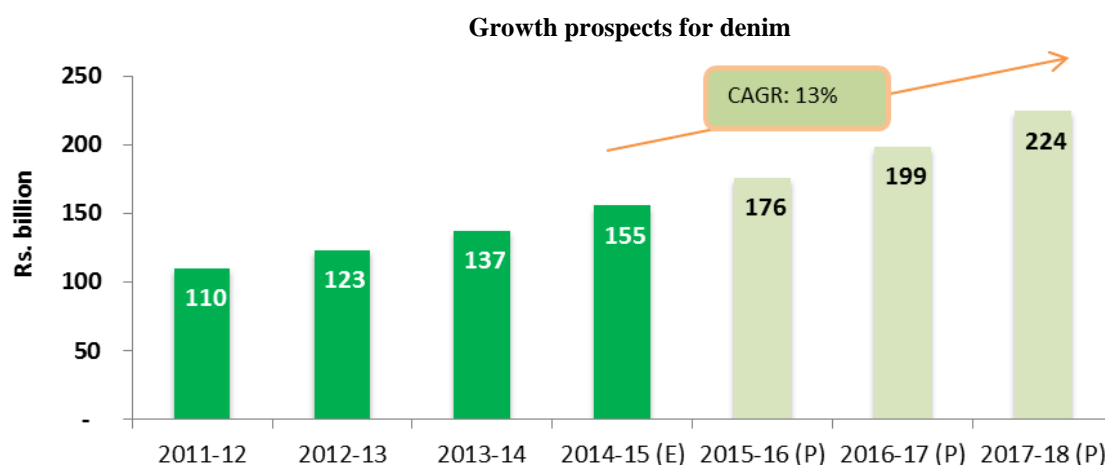
- **Increasing awareness about brands and coming of global fashion brands**

The increasing awareness and preference for brands in the urban youth population is expected to be a key driver for the branded casual wear and denim market. In addition, availability and rapid spread of women centric brands like Zara, Hi Design, etc., are expected to give a significant boost to the women denim and casual wear segment which currently are in a very nascent stage. Increase in penetration of denims and casual wears in women wears is expected to be a significant driver for the overall industry. This coupled with the policy incentive for FDI for single brand retail, the presence of global brands in India is expected to see a surge in the future, increasing the overall branded clothing market.

### GROWTH FORECASTS

#### Denim

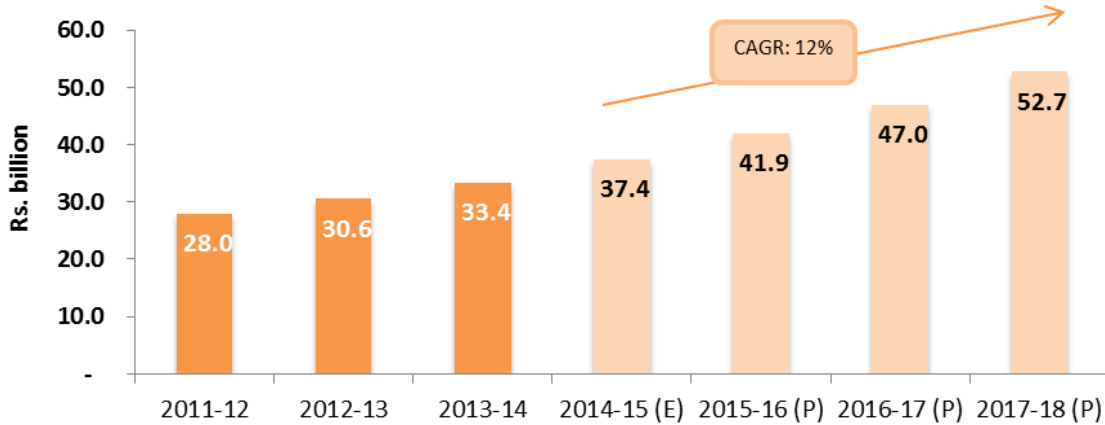
Based on the assessment of the current market for denims and casual wears and the movement of different growth drivers, it is expected that denim industry would grow at around 13% per annum in line with the clothing industry of India. The total domestic denim market is expected to reach ₹ 224 billion in 2017-18. While the men's segment is expected to grow at 13%, the women segment is expected to grow at a faster rate of 15%, as more and more women opt for western dresses in metros as well as tier I and tier II cities.



#### Casual wear

The casual wear branded sales is growing at 9 % per annum during the three years. Due to increasing preference for women western wear, the market for women branded casual wears is expected to grow at 14%. The increasing brand retailing and e-tailing is expected to drive the market at a rate of 12% for the men's casual wear segment. The total domestic casual wear market is expected to reach ₹ 52.7 billion in 2017-18. The total market for branded women's casual wear is expected to touch ₹ 2.8 billion in 2018 while that of men's casual wear is expected to reach ₹ 49.9 billion. Overall the market is expected to grow at 12% annually.

### Growth prospects for branded casual wear

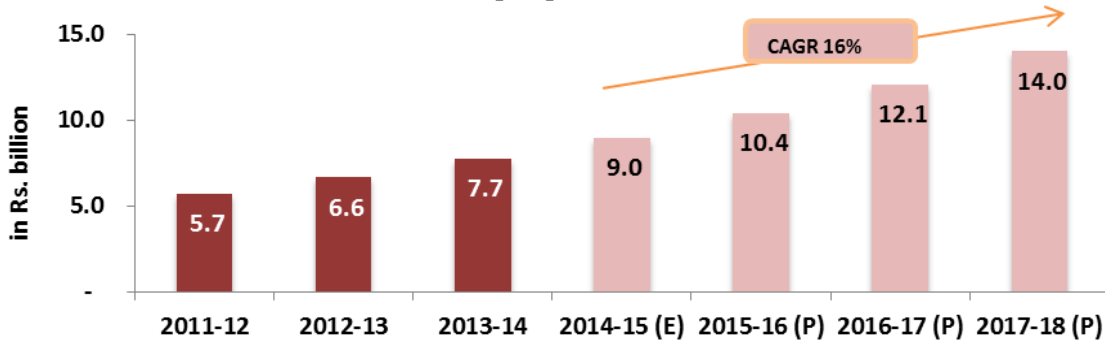


P: Projected

### Branded sweaters and pullovers

The branded sweater and pullover market is growing at 16 % per annum during the last three years. Decreasing preference for woollen sweaters and increasing demand shift towards branded cotton and blended sweaters has been a significant trend in the industry. With most of the large apparel brands offering branded sweaters and newer brands coming in the branded sweater market is expected to grow at 16%. The total domestic branded sweater market is expected to reach ₹ 14 billion in 2017-18.

### Growth prospects for branded sweaters

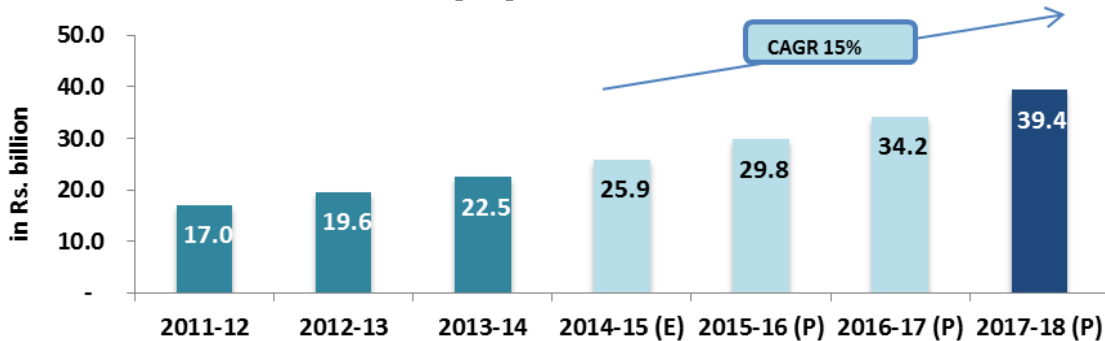


P: Projected

### Branded Accessories – Branded casual footwear

The market for branded casual footwear is growing at 15% per annum during the last three years. The market is driven by the increasing expansion of large scale MBOs like Reliance Footprints, Metro Shoes and also with the increased focus of e-tailing vendors on branded and private label shoes. With newer brands from across the world moving into India like Pavers from U.K, Timberland, etc increasingly focussing on India, the domestic branded casual footwear market is set to grow at 15% in coming three years. The market is expected to reach ₹ 39.4 billion by 2017-18.

### Growth prospects for branded casual footwear

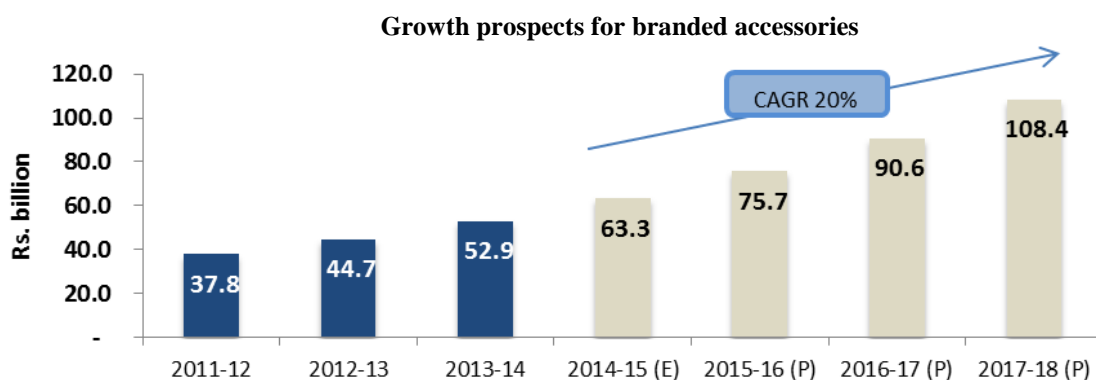


E: Estimated P: Projected,

### Branded Accessories – Bags, belts, wallets

The market for branded accessories is growing at 18% per annum during the last three years. The market is driven by the growing market of branded women hand bag segment, most of which cater to the luxury segment with presence of big brands like Hi Design, Kara, Caprese, etc. With the luxury market of India growing at 30%, coupled with the focus on single brand retail with coming of 100% FDI in single brand retail, the penetration of branded sales in Indian market is expected to increase from the current modest levels of 16%. As a result, branded women hand bags are expected to witness a high growth of up to 25% in the coming three to five years. The overall hand bags segment is expected to grow at 22%.

The sale of other fashion accessories like wallets and belts are expected to grow between 15 % to 18% with higher growth for wallets and purses. The total market for branded fashion accessories is expected to touch ₹ 108.4 billion in 2017-18, driven by the hand bag market. The overall branded accessories market is expected to grow at 20% annually.



P: Projected,

## COMPETITIVE SCENARIO AND MAJOR PLAYERS

India is a key manufacturer of denim fabric with capacity of one billion MMA. The majority of the production caters to the domestic market which is characterised by presence of strong brands like Levi's, Lee, Numero Uno, Spykar, Killer and Pepe among others.

The market is high competitive with a major chunk belonging to the organised retail. India being a highly price sensitive market, the denim industry is also structured in a way to cater all price ranges.

### Segmentation of denim market

Market segments	Price band	Industry structure	Domestic market share	Key brands
Unorganised	Up to ₹ 250	Catered mostly by un-organised sector	18%	-
Low End	Up to ₹ 400	Catered mostly by un-organised sector and local small brands	36%	
Economy	₹ 400 to ₹ 1,000	Catered mostly by small brands sector	46%	7 <sup>th</sup> Sin, Adventure Denim, Base One 44, Badass, Trigger, etc
Mid premium	₹ 1,001 to 2,000	Catered by regional brands and local private labels		John Miller, Killer, Spykar, Cantabil, Dare jeans, Flying Machine, Lee, Numero Uno, etc
Premium	₹ 2,001 to ₹ 4000	Catered by National brands		Lee, Levis, Spykar Wrangler, Pepe, Numero Uno, etc
High End	Above ₹ 4000	Catered by high end National and imported global brands		CalvienKlien, Tommy Hilfiger, Armani, Diesel, etc

The key brands in casual wear and accessories for men and women are as follows:

### Key casual wear brands

Men's casual wear brands	Women casual wear brand	Casual foot wear brands	Fashion accessory brands
High end brands			
<b>Diesel, Tommy Hilfiger, Dockers, etc</b>	Sisley, Replay, GAS, Tommy Hilfiger, Roxy, Super Dry, etc	GAS, Adidas, Puma, Cole Haan	GUESS, Hi Design, Paris Hilton, Lavie, etc
Premium brands			
<b>Adidas, Reebok, Puma, Lacoste, Pepe, Lee Cooper, Levi's, Lee, Colour-plus, Allen Solly, UCB, Flying machine, Numero Uno, etc</b>	Levi's, Pepe, Nike, UCB, Numero Uno, Dress berry, Vero Moda, etc	Woodland, Puma, Clarks, Allen Solly, Numero Uno, Levis, Lee Cooper, etc	Capresse, E 20, Austin Reed, Fast Track, etc
Mid-Premium brands			
<b>Duke, VettorioFratini, LIFE,</b>	Numero Uno, Jealous 21, Kooch&keech, Roadster, Dress berry	Converse, Numero Uno, FILA, Knotty Derby, etc	Eliza Donatien, E20, LIFE, etc

The key retail channels prevalent in the domestic market today are through brick and mortar outlets and via e tailing. The brick and mortar stores can further be classified as exclusive brand outlets (EBOs), multiple brand outlets (MBOs) and departmental stores. While brick and mortar stores are the largest revenue contributors for a brand, close to 40% to 60% of which in today's world comes from MBOs. EBOs account for another 20% to 30% of the revenue. The other key segment is e-tailing or online sales, which rapidly expanding although limited to less than 10% of total branded sales. However, the heavy discounts and increasing preference for e-tailing has had serious impact on traditional brick and mortar stores, many of which have postponed planned expansion of stores.

### KEY POLICIES

Government has taken several initiatives to boost the textile and clothing sector. Some of key initiatives are as follows:

#### Sector Policy

- **FDI Policy:** 100% FDI is allowed under the automatic route in the textile sector; investment is subject to all applicable regulations and laws.
- **TUFS** has infused investment of more than ₹ 2,500 billion in the industry. Support has been provided for modernisation and up gradation by providing credit at reduced rates and capital subsidies.
- **Scheme for Integrated Textile Parks** provides world class infrastructure to new textile units. To date, 57 Textile Parks have been sanctioned with an investment of ₹ 60 billion. By 2017, 25 more Textile Parks are to be sanctioned.
- **Integrated Processing Development Scheme** for sanctioning processing parks has been initiated. ₹ 5 billion has been earmarked for this scheme.
- **Integrated Skill Development Scheme** has provided training to 1.5 million people to cover all sub-sectors of textiles such as Textile and Apparel, Handicrafts, Handlooms, Jute and Sericulture.
- **FDI in retail:** 100% FDI in single brand retail and 51% in multi brand retail are expected to provide a boost to the local manufacturing and textile sector. However, as most of the international brands in India have entered mostly through JVs because of its many advantages, a similar trend is expected to continue despite 100% FDI in single brand retail.

## 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 “Company” or “we”, “us” or “our” means Numero Uno Clothing Limited.*

*All financial information included herein is based on our restated consolidated financial information included in the chapter titled “Financial Statements” starting on page 180 of this Draft Red Herring Prospectus.*

### OVERVIEW

Numero Uno is one of India’s leading jeanswear brands built over 25 years (*Source: IMaCS Indian Clothing Industry Report, 2015*) with a comprehensive casualwear product range. We have an extensive distribution network with 185 exclusive stores, 23 LFS and 38 Hypermarkets in addition to over 500 retail outlets pan-India. Our manufacturing facilities are augmented by our dedicated in-house design and product development team. Our Company’s core competency lies in our deep understanding of our customers’ buying preferences and behavior over two decades across the Indian market.

Our Company is led by a first generation entrepreneur Narinder Singh Dhingra, who with a vision of creating a jeanswear brand at par with leading international brands, entered the apparel business of manufacturing and wholesaling jeanswear under the brand name “Numero Uno”. For the complete details of the history of our Company, please refer to the chapter titled “History and Certain Corporate Matters” on page 152 of this Draft Red Herring Prospectus.

Numero Uno is our flagship brand. We primarily cater to Mid- Premium to Premium branded apparel segment for men and women offering a diverse product range which, among others, includes jeans, trousers, shirts, jackets, blazers, sweaters, T-shirts, sweatshirts, shorts, etc. We also offer an extensive range of accessories such as the complete range of footwear, belts, wallets, scarves, perfumes and deodorants. Our production activities are mainly carried on in accordance with the ‘Make to Order’ policy. Since Fiscal 2006 till Fiscal 2015, our Company has sold over 120 lac units pan India.

We serve our pan-India customers through a range of channels such as retail, wholesale and e-commerce. Our comprehensive distribution approach includes Company Owned Company Operated (COCO) stores, Franchisee operated Exclusive Brand Outlets (EBOs), Multi Brand Outlets (MBOs), Large Format Stores (LFS), Hypermarkets and multiple e-commerce platforms. To ensure better visibility and maximum footfalls, our stores are situated at highstreets, malls, mini malls at prominent locations in major metros, mini-metros, large cities and other Tier II and Tier III cities. We believe that this strategy has enabled us to develop a strong brand loyalty of our brand ‘Numero Uno’.

As on March 31, 2015, we are present through 25 COCO stores, 160 Franchisee Operated EBO’s, 528 MBO’s, 23 LFS and 38 Hypermarkets. Our extensive retail and wholesale network is spread across 288 cities pan-India. We have also entered into distribution agreements with some of the leading e-commerce platforms such as Myntra amongst others. In addition, pursuant to our growth plans, we have also executed 9 LOIs/ MoUs and 3 agreements to open new COCO stores at various locations across India.

We have two manufacturing facilities located at Gurgaon, Haryana and Selaqui, Uttarakhand. We commenced our commercial production at Gurgaon and Selaqui in the years 2006 and 2007 respectively. We operate through specialised machineries which we believe differentiates us from most of the other players. Pursuant to our growth plans, we are in process of shifting the entire manufacturing operations to Selaqui from Gurgaon and product development and warehousing to Manesar from Gurgaon. We will derive significant benefits from shifting our manufacturing facility including: reduced rent, lower energy costs and lower operating costs.

Our Company also has a dedicated in-house design and merchandising team of 70 members who develop and create styles that meet the latest fashion trends. We believe this differentiates us from other players in the Industry as each of our manufacturing activity is sourced, conceptualised and designed from these in-house team of professionals. This has helped us to emerge over the years as one of the leading indigenous manufacturer of jeans and casual wear in India.

Our design studio consists of in-house designers, merchandisers, pattern makers and sample makers, who keep pace with international trends and add innovative features to our products through their creativity and market intelligence gained by visiting international fashion markets subscribing to global fashion trend forecasting websites as well as fashion



magazines and journals etc. Our design studio is equipped with latest software and requisite hardware like digitizer, pattern grader, sampling, sample analyzer and specialized sewing machines that allow us to launch the latest fashion trends into the market. Further, with the help of machineries sourced from Jeanologia, it gives our design team a technical advantage to develop designs based on its technology. We believe that our continued collaboration between design and merchandising teams, well-established product development & production teams supported by firm processes ensures that we respond to consumer preferences and market trends with new innovative product offerings while maintaining our core fashion foundation.

As on March 31, 2015, we had a total workforce of 592 including 7 management personnel, 9 senior executives, 107 managerial and supervisory staff, 61 administrative and COCO store staff, 284 skilled/semi-skilled and unskilled workers and 124 contract labourers.

Pursuant to our growth strategy, we have strengthened our direct interaction with our end consumers as demonstrated by the growth in our COCO stores, the first of which was opened in the June 2013 and has increased to 25 by March 2015.

Our Company's total revenues, as restated on a consolidated basis, for the year ended March 31, 2015, March 31, 2014 and March 31, 2013 were ₹ 15,307.92 lacs, ₹ 14,076.19 lacs and ₹ 13,234.69 lacs respectively. Our Company's restated net profit after tax on a consolidated basis, for the year ended March 31, 2015, March 31, 2014 and March 31, 2013 were ₹ 1,478.46 lacs, ₹ 1,253.23 lacs and ₹ 812.75 lacs respectively which has grown at a CAGR of 32.88% for the last 5 years.

As on March 31, 2015, our top 10 suppliers contributed 49.25% of our total purchases and our top 10 customers contributed 38.17% of our total revenues.

As on the date of this Draft Red Herring Prospectus, our Promoter and Promoter Group hold 72.66% while 25.11% is held by AA Development Capital India Fund 1, LLC.

### **Competitive Strengths**

We believe that we are well-positioned to maintain our status as one of the leading indigenous manufacturers and retailers of branded apparels in India as well as to pursue significant growth opportunities in the expanding market for branded apparels and accessories. We believe that the following are our principal competitive strengths, which differentiate us from other players in apparel manufacturing and retailing industry.

#### **➤ *One of the leading apparel brands with a long standing market presence***

Número Uno has, over a period of 25 years, emerged as a well-established national brand in the Mid-Premium and Premium branded apparel segment for men and women. We believe that the quality, consistency and design of our products driven by our firm manufacturing and quality assurance processes have helped us to create a brand that our customers associate with high quality, fashion and comfort. In the last two decades, we have launched a comprehensive range of jeans and casualwear under our 'Número Uno' brand. Our brand image is enhanced not only by integrating marketing and customer relation campaigns but also through our retail and merchandising strategies which has enabled us to identify and differentiate our brand from others. Our Company has been awarded a Certificate of Excellence for "Smart Innovation" by Inc. India Magazine on January 29, 2015, Brand Vision India 2020 award for "Visionary of India 2014-2015" by Nexbrands and the Fashion and Lifestyle Excellence award for the "Most Admired Menswear Brand of the Country".

#### **➤ *One of the leading integrated indigenous manufacturer and retailer of branded apparels in India***

We are one of the leading integrated indigenous manufacturers of jeans and casualwear in India. Our Company's core competency lies in our deep understanding of our customers buying preferences and behavior over two decades across the Indian market. We have a dedicated in-house design and merchandising team of 70 members who develop and create styles that meet the latest fashion trends. Additionally, we have dedicated team of professionals for production, marketing and selling our products under the brand Número Uno. Each set of professionals under these various business heads not only help us devise a strategy for the next season, but also to implement the same to build a strong brand loyalty of our brand 'Número Uno'. We believe, being an integrated indigenous manufacturer, we have a competitive advantage to customise our products with variations as per specific requirements and even manufacture and deliver smaller quantities as per our 'Make to Order' policy.

We believe this differentiates us from other players in the Industry as each of our manufacturing activity is sourced, conceptualised and designed from these in-house team of professionals which has helped us to emerge as one of the few indigenous players in India.

Our manufacturing process is also supplemented by machines that have been sourced from Jeanologia, Spain like (i) G2T textile processing machine that is used for bleaching without chemicals that helps us consume minimal amount of water; (ii) Flexi 150 and Flexi -250 laser machines that are used for creating patterns by taking colour off at selected places from the apparels through a dry process; (iii) E Soft machine (eco- wash machine) which uses nano bubble technology for washing clothes resulting in minimal usage of water. All of these machines are environment friendly which help reduce our water consumption, time, manual intervention and more importantly the use of chemicals in the manufacturing process.

➤ ***Extensive exclusive distribution network***

We have an extensive distribution network with 185 exclusive stores, 23 LFS and 38 Hypermarkets in addition to over 500 retail outlets pan-India. We use a multi-pronged distribution setup of COCO, Franchisee operated EBOs, MBOs, LFS, Hypermarkets and various e-commerce vendors. To ensure better visibility and maximum footfalls, our stores are situated at highstreets, malls, mini malls at prominent locations in major metros, mini-metros, large cities and other tier II and tier III cities. These locations are selected based on buying patterns, geographic and demographic criteria that can accommodate our entire product range.

As on March 31, 2015, we are present through 25 COCO stores, 160 Franchisee operated EBO's, over 500 MBO's, 23 LFS and 38 Hypermarkets. Our extensive retail and wholesale network is spread across 288 cities pan-India. In addition, we have also entered into distribution agreements with some of the leading Indian digital commerce platforms for sale of our products online. In addition, pursuant to our growth plans, we have also executed 9 LOIs/ MoUs and 3 agreements to open new COCO stores at various locations across India. For further details, please refer to the chapter titled "*Objects of the Issue*" on page 81 of this Draft Red Herring Prospectus.

We also exercise control over our distribution channels for example, selecting and leasing the locations to be used for our franchised EBOs, defining layouts, fit-outs and fixtures to be adopted at all of the Franchisee operated EBOs and providing our dealers, distributors and franchisees with marketing, training and supervisory support.

➤ ***Comprehensive product range and personalized shopping experience***

We believe that our stores offer a personalised, service-oriented shopping experience in an aesthetic that reflects the nature of our brand. We have a comprehensive portfolio of product offerings in jeanswear, casualwear and accessories which meets the needs of our consumers under one roof. We believe that our comprehensive product range not only helps us increase our penetration in the metros, mini-metros and large cities but also to expand our presence in the tier II and tier III cities in India. We believe that our wide range of products with diverse price points for Premium, Mid-Premium and economy segments makes us an established brand poised to capitalize on growth opportunities in the branded apparel industry. Our diverse range of products for winter collection includes jackets, sweaters, blazers, scarves etc. and our all – year collection includes denims, shirts, trousers, t-shirts, cargos, linen apparel etc. Such a comprehensive range helps us promote cross promotional sales whereby our customer's buying behaviour leads us to anticipate the potential sale from our other product-mix. We believe our approach of presenting a portfolio of products for diversified customer profiles has helped us enhance our growth and will continue to support the development of brand loyalty among consumers.

➤ ***Strong in-house design capabilities and techniques***

Our Company's core competency lies in our deep understanding of our customers buying preferences and behavior over two decades across the Indian market. We believe that we have a competitive advantage due to our dedicated in-house design and merchandising team and our firm manufacturing facilities for our product categories. Design development and sampling forms an integral part of our Company's operations and is considered as an effective tool for converting customer's need into a product. We have a team of professionals from reputed fashion design institutes who are supported by the latest technology for developing products and styles which are based on prevalent fashion trends. This helps us keep pace with international trends and also to add innovative features to our products by visiting international fashion markets.

Our design studio also holds a knowledge bank of styles, innovations, customer salience, raw materials performance, fits and fits trials data, reasons for underperformance, etc. and it is invaluable in the development of our products. New designs are developed on a regular basis to add to our library of designs, concepts, features, material specifications and product specifications. We believe this differentiates us from other players in the Industry as each of our manufacturing activity is sourced, conceptualised and designed from these in-house team of professionals which has helped us to emerge as a leading indigenous manufacturer of jeans and casual wear in India. We have over 70 professionals in our design, development and merchandising department dedicated to developing new products, improving existing ones and forecasting fashion trends.

Further, we currently have two in-house manufacturing facilities at Gurgaon, Haryana and Selaqui, Uttarakhand which

are equipped with the latest technology and infrastructure.

➤ ***Integrated systems and processes***

We have implemented a customised Enterprise Resource Planning (“ERP”), software system developed by SAP with various modules viz., (i) FICO (Finance & Control) (ii) MM (Material Management) (iii) SD (Sales & Distribution) (iv) PP (Production & Planning) at our Registered Office, manufacturing facilities and warehousing facilities. This helps us scale up our operations faster without disruption to further enhance our logistics and supply chain.

In addition, we have also implemented Point of Sale (POS) Software known as “LOGIC” at our COCO stores and Franchisee operated EBOs. This enables us to receive complete information on our customers taste and preferences, stock and sales of the POS location along with article details which also assists with data analysis and trends. In view of the anticipated growth in our operations, stores and locations, we further plan to upgrade our IT infrastructure to ensure adequate support to the growth in our operations. Such integrated systems and processes coupled with our strong internal and external control mechanisms, facilitate our management and personnel to take informed decisions to monitor inventories, supply chain, consignment status etc. of all products, locations and divisions across India in a more efficient manner.

Our Company has also installed Business Intelligence Tool (“BI Tool”) software which provides us a detailed analysis of the integrated data extracted out of SAP and LOGIC. In addition to the above, our COCO stores and Franchisee operated EBOs are also facilitated with a Customer Relationship Management Software (“CRM”) “Capillary” sourced from Capillary Technologies India Private Limited, where we store all the personal information of our customers in order to create a strong customer database for regular interaction with our customers required for running an effective loyalty programme.

➤ ***Experienced management and Key Managerial Personnel***

We have an experienced management team led by our Chairman and Managing Director, Narinder Singh Dhingra who has over 30 years’ experience in the branded apparel industry and we benefit immensely from their expertise. Our management and their understanding of the industry trends, fashion, demands and market changes have been instrumental in the success of the ‘Numero Uno’ brand amongst our customers. We believe that the experience and relationships that our management team has, have enabled us to extend our operating capabilities, improved the quality of our products and facilitated our brand equity. We believe we also have a strong second line of management and an experienced pool of key managerial personnel, who have possess requisite skills, experience, technical know-how and understanding of the industry and complete control over quality of the products.

**Business Strategy**

➤ ***Strengthening our pan India presence***

Currently, most of our COCOs, EBOs and MBOs are situated in the northern region of India. We are expanding to other geographies through MBOs, LFS, Hypermarkets and e-commerce platforms. All of these distribution channels are helping us become a national brand with pan-India presence. Growing aspiration levels of people in Tier II, III and IV cities coupled with rising brand awareness, makes these smaller urban areas as focal points for our expansion. Pursuant to our growth strategy and to further deepen our presence in the hitherto underserved markets, we intend to open 84 new COCO stores, besides expanding our other distribution channels. As on March 31, 2015, we have executed 9 LOIs/MoUs and 3 agreements, for opening new COCO stores in various cities of 21 states in highstreets, malls, mini malls.

➤ ***Enhancing existing processes and improving operational efficiencies***

Our Company believes in making investments for continuously achieving higher levels of excellence in its products. This allows us to exercise due control over our manufacturing costs supplemented with fine quality of our products. Our Company has invested in specialised equipments that have been sourced from Jeanologia, Spain like (i) G2T textile processing machine that is used for bleaching without chemicals that helps us consume minimal amount of water; (ii) Flexi 150 and Flexi -250 laser machines that are used for creating patterns by taking colour off at selected places from the apparels through a dry process; (iii) E Soft machine (eco- wash machine) which uses nano bubble technology for washing clothes resulting in minimal usage of water. All of these machines are environment friendly which help reduce our water consumption, time, manual intervention and more importantly the use of chemicals in the manufacturing process.

Further, we have been allotted approximately 8,059.30 square meters of land for our Selaqui facility. Pursuant to our growth plans, we intend to enhance our existing manufacturing base by adding various machineries for which we have received price quotations from various vendors. In addition, we have started constructing an ETP plant to recycle the

waste water discharged during the washing activity. Such addition of specialised equipments helps us achieve better economies of scale. For more information on our proposed project, see chapter titled “*Objects of the Issue*” on page 81 of this Draft Red Herring Prospectus.

➤ ***Focusing on inorganic growth***

Pursuant to our growth strategy, the strategic investments and acquisitions of businesses in our industry may further play a major role to grow our business. We believe that our efforts at diversifying into new segments of the branded apparel industry or into new domestic markets can be facilitated by investing in similar business opportunities or acquiring established brands or businesses with market share or growth potential, whose operations, resources, capabilities and strategies are complementary to our Company. As on the date of this Draft Red Herring Prospectus, we have not identified any strategic investment or acquisition opportunities and we seek to enter into any such acquisition on an opportunistic basis.

Further, we are also targeting to grow our present scale of operations by not only manufacturing and retailing through our extensive distribution network but also partner with several international brands to manufacture and market their products in India. Though, as on the date of this Draft Red Herring Prospectus, we have not identified any particular international brand(s) for this purpose, such association will enable these international brands to leverage our strength in manufacturing and distribution to expand their presence in India.

➤ ***Enhancing our brand value***

We will continue to enhance better visibility of our brand with maximum footfalls in our stores through our marketing efforts and planned retail expansion. Our Company’s core competency lies in our deep understanding of our customers buying preferences and behavior which helps us to secure customer loyalty. We endeavor to continuously improve the product-mix offered to our customers as well as strive to understand and anticipate their future requirements and cater to such needs. We seek to seize market opportunities by continuing to allocate significant resources to enhance our brand Numero Uno. Our marketing plan includes advertising through various channels such as print, electronic and social, television campaigns, endorsements by well-known Indian personalities besides visual merchandising. Along with establishing our own exclusive e-commerce platform, we are also striving to partner with other leading e-commerce vendors and their associates to market and promote our brand. In addition, we also participate in college and university festivals and also conduct road shows specifically targeting the youth and in the future we are also targeting conducting as well as participating in fashion events. Pursuant to our business strategy, we will continue to expand our network by opening new COCO stores and Franchisee operated EBOs at various locations across India. We believe that such scalability in our business provides us better visibility and market share across India.

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

We intend to complement our capabilities in retailing through COCO, Franchisee operated EBOs, MBOs, LFS, Hypermarkets with retailing through e-channels. We have established an online portal under our website “www.numerounostore.com” to tap the growing online shopping experience. We intend to develop the e-commerce and online retail business to provide us with additional channels of reaching out to our customers. We believe that the growing internet penetration in Indian cities, especially Tier-II and Tier-III cities has increased the potential of growth in the e-commerce and online shopping markets. We intend to adopt a “*brick and click*” model (which integrates both offline and online presence), by leveraging on our existing back-end logistics infrastructure and sourcing capabilities. We believe developing and expanding the online space may further attract the attention of our targeted customers which can be converted into footfalls in our stores. We believe that foraying into online retail business will assist us to increase and diversify our customer base.

## **Our Products**

We are one of the few indigenous branded apparel manufacturers in India focused mainly on jeanswear and casualwear segments. We primarily cater to the Mid- Premium To Premium branded apparel segment for men and women under the brand ‘Numero Uno’. Our wide of products include jeans, shirts, jackets, T-shirts, trousers, sweatshirts, sweaters, shrugs, blazers, waistcoats, shorts, capris, footwear (men and women shoes and slippers) and accessories such as socks, scarves, mufflers, caps, belts, wallets, perfumes and deodorants, bags etc.

While we manufacture jeanswear and casualwear products, for our knitwear, footwear and accessories, we primarily follow an asset light model and outsource the manufacturing to third party contractors. We specify our design, pattern and raw material preferences to these third party contractors who manufacture the products as per our specification. This ensures control on our design and quality of the product which is sold under ‘Numero Uno’ brand.

### **Broad classification of our Products**

<b>Apparel</b>		<b>Footwear</b>	<b>Accessories</b>
<b>Mens wear</b>	<b>Womens wear</b>		
Jeans	Jeans & Jeggings	Casual Shoes	Belts & Wallets
Trousers & Shorts	Trousers & Capris	Sport Shoes	Socks
Shirts	Shorts & Skirts	Formal Shoes	Caps
T-Shirts	Tops & Tees	Slippers	Mufflers & Scarves
Sweat Shirts & Sweaters	Shirts		Bags
Waistcoats	Dresses		Deodorants & Perfumes
Jacket & Blazers	Shrugs & Waistcoats		
	Jackets & Blazers		
	Sweat Shirts & Sweaters		

### **Our Manufacturing Locations**

Our Gurgaon manufacturing facility admeasures 31,308.75 sq. ft. and is situated at 568/1, PMW Complex, Railway Road, District Gurgaon, Haryana and our Selaqui manufacturing facility admeasures 8059.30 square meters and is situated at A-2/2, Industrial Area, Selaqui, Tehsil and District Dehradun, Uttarakhand.

### **In-house manufacturing**

In Fiscal 2015 we manufactured a total of 9,00,543 pieces. Our annual production of finished apparel for Fiscals March 2015, 2014 and 2013 is set out below:

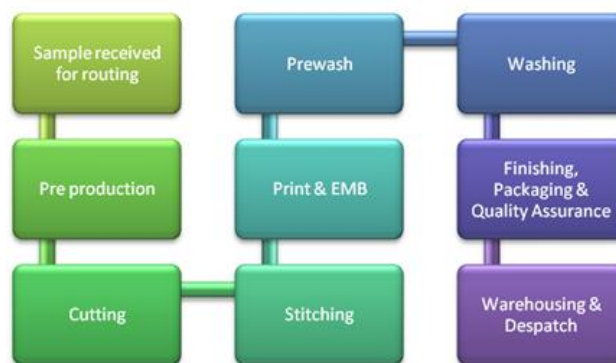
<b>Particulars</b>	<b>Fiscal 2015</b>	<b>Fiscal 2014</b>	<b>Fiscal 2013</b>
Jeans	3,47,669	3,86,878	4,33,973
Shirt	3,55,609	2,79,373	91,051
Trouser	55,928	94,144	11,610
Jackets and Blazers	1,22,648	1,26,076	83,048
T-Shirts	789	733	46,464
Others	17,900	8,081	27,093
<b>Total Annual Production (Number of pieces)</b>	<b>9,00,543</b>	<b>8,95,285</b>	<b>6,93,239</b>

### **Our Business Processes**

We have set out below our business processes for our manufacturing and sales operations.

#### **Manufacturing processes**

We follow standard sets of procedure at our manufacturing facilities which involves (i) conceptualization and designing, (ii) finalizing the order book, (iii) procuring raw materials, (iv) manufacturing process, (v) finishing and packaging, (vi) warehousing and dispatching of products to retail and distribution partners. Our manufacturing operations flow in the following manner:



### *i Conceptualization and designing*

Our business process flow commences with the conceptualization of the prevalent trends, range, choice of fabric, colour, designing pattern, look, feel and other details for our products. This exercise is carried out by our merchandising department about 9-10 months prior to the season when the product is intended to be launched and marketed. The designing process commences with the creation of a fashion calendar for the season. Our design team understands the latest design and fashion trends and works with the aim of developing innovative designs which are 'true value for money' as well as keep pace with the latest fashion trends which signify our brand 'Numero Uno'.

### **Manufacture of samples**

A sample of every style is produced as per the design for the range of products for a particular season. All apparent and intricate corrections are made in the sample so as to make it error free. The designs are finalized pursuant to internal discussions with the management based on the features, pricing trend, consumer behaviour, patterns etc. This in-turn helps us to decide upon the final product range for a particular season.

### *ii Finalizing the order book*

This product range is then presented through season presentation and exhibitions to various trade partners across all the channels for seeking their orders and subsequently the quantities are finalized for production for a particular season.

### *iii Procurement of raw materials integrated with quality control system*

Selection of the appropriate raw materials including fabrics and trims is one of the most important aspects in the business of manufacturing of our products. We source our raw materials from third party suppliers. Although we have not entered into any long term agreements with our suppliers but we work through a purchase order based system and share a stable relationship with them. The procurement of raw material entails analysing the quality, texture, durability, cost etc. to determine the appropriate fabric/raw material for our products. Apart from fabric, we also procure other raw materials like accessories including buttons, zippers, fasteners, labels etc., from third party suppliers. We have a dedicated team of experienced professionals, who are engaged in procuring the raw materials. Once the fabric and other raw material are procured, quality and quantity checks such as verification of the width, gram per square meter (Gsm), shrinkage, color fastness, tear and tensile strength and seam slippage of the fabric are undertaken so as to ensure that the procured raw materials confirms to our quality standards and desired specifications. As per our restated consolidated financial information, for Fiscal 2015, our cost of raw materials consumed accounted for 26.41% of our total expenses.

### *iv Manufacturing process*

On receipt of the fabric and other raw materials, we commence manufacturing of the apparel on the basis of the order book. The manufacturing process involves fabric cutting, embroidery and printing, if required, stitching, washing, finishing and packaging. Each stage of manufacturing is monitored by our quality assurance team to ensure conformity with our strict quality standards.

### **Fabric cutting and stitching**

We use Computer Aided Design ("CAD") programming for making designs and patterns in order to maximize efficiency and reduce material wastage. The use of this system ensures that there is optimum usage of the fabric. The process starts with creating a layout on an automated computerized plotter. These layouts are being used for cutting the fabric as per the requisite design with the help of a high speed power cutting machine to ensure quality standards. The fabric is then laid on a table in multiple layers under the layout created and then with the help of electronic cutting machines, the multiple

layer fabric is cut as per the specified shape. After completion of the cutting procedure, the pieces are sent to production lines where they are stitched as per an assembly line system with each machine and worker performing a specific job in the assembly line. Upon completion of the stitching process, the product is then passed through our quality check team that ensures the product meets the desired specifications. Our Company, during the peak production season, at times outsources the stitching of some of the pieces to third party contractors in order to fulfil our commitments in a timely manner.

### **Washing and Processing**

Washing is an integral part in designing denims which gives a different look and feel to the fabric and also makes it more fashionable. Washing involves carrying out various processes on the apparel which includes laser, three dimensional whiskers, de-sizing (starch removal), bleaching (colour removal), stone wash, sand blasting, over-dyeing, acid wash, fraying, surface painting and screen printing, dry cleaning and laser engraving. All the washing and processing is carried out internally thus giving us an edge and flexibility with our designs. We use specialised machinery purchased from Jeanologia, Spain for washing and processing our apparels.

In addition, our manufacturing process is also supplemented by specialised machines like 'G2T textile processing machine', 'Flexi 150 and Flexi -250 machines', 'mini laser machine' and the 'eco- wash machine' which have been sourced from Jeanologia, Spain.

The 'G2T textile processing machine' takes in oxygen from the atmosphere and converts it into ozone which is used to bleach the denim subsequent to which the oxygen is released back into the atmosphere. The 'Flexi 150 and Flexi -250 machines' use laser technology to create patterns on denims, shirts, T-shirts, jackets, trousers etc. which enables us to reduce time and manpower cost. The 'mini laser machine' is used for creating tattoos or small patterns on denims at a retail store level that allows us to customize some of our products based on our end consumers' requirements. The 'eco-wash machine' helps soften the fabric with minimal use of water by converting the softener into nano particles.

All of these machines are environment friendly which help reduce our water consumption, time and importantly the use of chemicals in the manufacturing process.

#### **v Finishing, quality assurance and packaging**

Upon completion of the washing process, the apparels undergo finishing and thereafter packed. Finishing of apparel involves, buttoning, riveting, removal of loose and unwanted threads, customized ironing, putting our brand and price tags containing a unique bar code differentiating between styles, colours and sizes for each category. After completion of this process, the apparel undergoes quality assurance check. We attach utmost importance to the quality of our final product and hence care is taken to ensure that the apparel that is dispatched to the warehouse has undergone stringent quality checks. Post clearance from our quality assurance team, the apparels are sent for individual packaging. At this stage we ensure that the apparels are packaged in a manner that will give the apparel an attractive look and at the same time protect the apparels from any wear and tear. Once the apparels are packaged, they once again undergo a final stringent quality check and are then dispatched to our warehouse through 100% scanning and recording into our SAP system.

#### **vi Warehousing and dispatch of products**

Our warehouse is located in the vicinity of our Gurgaon facility where we store our finished products. Our finished products from our Selaqui facility are also transported and stored at to our Gurgaon warehouse where they are stored under various categories such as season, style, colour and size until dispatched. The shipments are put together and dispatched through transport agencies from the warehouse and prior to dispatching the products an invoice is prepared containing all the relevant details.

### **Outsourcing Process for knitwear, footwear and accessories**

#### **Knitwear**

Our Company outsources the manufacturing of knitwear garments such as T-shirts, sweatshirts, flat knits and sweaters to third party contractors. We do not have any long term agreements with such third party contractors and outsourcing is done on the basis of purchase orders raised by us from time to time. Our Company provides the technical specifications such as designs, embroidery, pattern, quality, fabric etc. to them who, based on our specifications, procure the requisite raw materials at their own costs and begin the manufacturing process. Our Company also carries out an in-line stringent quality assurance checks at their manufacturing facilities from time to time. Once these garments are manufactured, two pieces from each lot are sent to a third party agency for stringent quality parameter checks and upon receiving a clearance from them, our quality assurance team conducts a final inspection of these garments before accepting the consignment.

The products delivered to us from third party contractors are completely finished and packaged along with tags of our brand and price barcodes and delivered to our warehouse at Gurgaon.

### Footwear and Accessories

Our Company outsources the manufacturing of footwear (men and women shoes and slippers) and accessories (socks, scarves, mufflers, winter and summer caps, belts, wallets, perfumes and deodorants, bags etc.) to third party contractors in India and China. We do not have any long term agreements with such third party contractors and outsourcing is done on the basis of purchase orders raised by us from time to time.

While placing orders with our third party contractors in China, we mostly rely on their design library and we only specify our raw material and quality preferences which are procured by them at their own cost. Our Company, while placing the orders is required to comply with the minimum order quantity, as agreed to from time to time. Once the specifications are provided to them, they raise a performa invoice against our purchase order and production begins only once 30% of the total performa invoice value has been remitted to them. During the production process, our trade agents carryout an in-line stringent quality assurance check as per our specifications. The products shipped to us from China from our third party contractors are completely finished and packaged along with tags of our brand and price barcodes and delivered to our warehouse at Okhla. Before dispatching the products to our trade partners, we conduct random quality checks on the goods being dispatched from our warehouse.

In India, we outsource the manufacturing of footwear and accessories to third party contractors in Agra and Delhi. We provide the technical specifications such as designs, embroidery, pattern, quality, fabric and other raw material etc. to them who, based on our specifications, procure the requisite raw materials at their own costs and begin the manufacturing process. Our Company has a dedicated team for quality assurance check who carry out an in-line stringent quality assurance check. After completion of production, the products dispatched to us from Agra and Delhi and these products are completely finished and packaged along with tags of our brand and price barcodes and delivered to our warehouse at Okhla. Before dispatching the products to our trade partners, we conduct random quality checks on the goods being dispatched from our warehouse. Our unsold inventory from footwear and accessories division at the end of each season is eventually sold at extra discounted rates through various retail channels.

### Our Distribution and Sales Network

We distribute our products through our comprehensive distribution channels which includes COCO stores, Franchisee operated EBOs, MBOs, LFS, Hypermarkets and through multiple leading Indian e-commerce vendors.

Our distribution network across India is as under:

Sr. No.	State	COCO	EBO	MBO	LFS	Hypermarkets	Total
1	Arunachal Pradesh	-	-	2	-	-	2
2	Andhra Pradesh	-	1	8	2	4	15
3	Assam	-	-	3	-	-	3
4	Bihar	-	1	11	-	-	12
5	Chandigarh	-	4	3	1	-	8
6	Chattisgarh	-	-	7	-	3	10
7	Delhi	1	19	37	8	2	67
8	Goa	-	-	2	-	-	2
9	Gujarat	1	-	-	-	-	1
10	Haryana	3	35	49	2	1	90
11	Himachal	-	5	54	-	-	59
12	J&K	-	6	10	-	1	17
13	Jharkhand	-	5	18	-	-	23
14	Karnataka	-	1	-	-	4	5
15	Maharashtra	5	-	28	3	8	44
16	Manipur	-	-	1	-	-	1
17	Meghalaya	-	-	3	-	-	3
18	Mizoram	-	-	1	-	-	1



Sr. No.	State	COCO	EBO	MBO	LFS	Hypermarkets	Total
19	Madhya Pradesh	1	1	27	1	3	33
20	Punjab	4	28	53	3	6	94
21	Rajasthan	3	10	18	2	2	35
22	Sikkim	-	-	14	-	-	14
23	Uttar Pradesh	2	32	107	1	4	146
24	Uttaranchal	2	12	55	-	-	69
25	West Bengal	3	-	17	-	-	20
	<b>Grand Total</b>	<b>25</b>	<b>160</b>	<b>528</b>	<b>23</b>	<b>38</b>	<b>774</b>

### Exclusive Retail Channel

Our exclusive retail channels are structured on two models namely:

- a) COCO stores; and
- b) Franchisee operated EBO stores.

As on March 31, 2015, we had 185 exclusive retail channels out of which 25 are our COCO stores and 160 are Franchisee operated EBOs operated by different franchisees in India. Based on the orders received through a season presentation to various trade partners we compile the order book and commence the production. We start dispatching our finished summer products to our trade partners from the month of February until July and our finished winter products from the month of August to January.

For our Franchisee operated EBO stores, we have entered into franchise agreements with the franchisees to operate the exclusive store and sell products, purchased from us, under the brand 'Numero Uno'.

Pursuant to the franchisee agreements, we sell our products to the franchised EBOs at a price which are fixed as per the terms and conditions of the respective franchisee agreements. We also provide an extra discount on the retail price on the current season left over stock lying with us at billing price value before the end of season sale as an over the margin or price agreed between us and franchised EBOs. In some of the Franchisee operated EBOs we have a discount sharing arrangement for old stocks or the unsold products which are sold subsequently by them at a discounted rate or through a sale.

Further, our Company operates 25 COCO stores in 22 cities. Each of these COCO stores (except for one located in Gurgaon, the premises for which are owned by our Company) are leased, managed and operated by our Company and the personnel at such COCO stores are employees of our Company. The products kept at the COCO stores are included in our total inventory for accounting purpose.

### Multiple Retail Channels

Multiple retail channels are further sub-divided into three categories viz. (i) MBOs (ii) LFS and (iii) Hypermarkets.

#### MBOs

We supply our products through over 500 MBOs via 20 distributors in order to cater to our consumers across the country. Pursuant to these distribution agreements, we sell our products to the distributors at a price which are fixed as per the terms and conditions of the respective distribution agreements. We have entered into specific distribution agreement with the respective distributors for specific region or area. The term of these agreements is typically for three to nine years which can be renewed by our Company. These agreements can be terminated by our Company by giving a 15-30 days' notice, respectively.

#### LFS and Hypermarkets

To market our products and increase the retail sales of our Company, we have undertaken the concessionaire retailing model. Under this model, our Company has a dedicated retail space in leading high-traffic retail outlets which include LFS such as Shoppers Stop and Hypermarkets. We market our products through 23 LFS in 14 cities and 38 Hypermarkets in 29 cities. Pursuant to agreements entered into with these LFS and Hypermarkets, we sell our products to them at a price which is fixed as per the terms and conditions of the respective agreements.

## **E-Commerce**

We have entered into distribution agreements with some of the leading Indian digital commerce platforms such as Myntra amongst others. Our products are also sold through some of the other major Indian digital commerce platforms through distributors. Pursuant to such agreements, we sell our products to them at a price which is fixed as per the terms and conditions of the respective agreements. We do not sell our products directly nor do we offer any discounts on such e-commerce platforms. Discounts, if any are offered by the distributors who purchase our products on an outright basis from us.

## **Pricing**

Our products are offered at various price points. We believe offering a broad range of price points maintains a more accessible, less intimidating atmosphere. Our ability to offer low prices to the consumers on quality merchandise contributes to and, to a large extent, determines our market position. With respect to our products, we determine our pricing based on market supply and demand, production cost and the prices of similar products offered by our competitors. We consult our marketing department before pricing of our products and consider their feedback at the time of fixing of the maximum retail price of our products.

## **Brand Management and Marketing**

Número Uno is the flagship brand of our Company and it enjoys significant premium and brand recall on a pan India basis.

We seek to seize market opportunities by continuing to allocate significant resources to enhance our brand Número Uno. While Número Uno is our umbrella brand, we have introduced a number of ranges under it and we seek to build on our brand equity based on new ranges.

Our branding strategy focuses on the modern designs of our products to project Número Uno's reputation in fashion trends and quality of products. Our marketing plan comprises advertising in print media, electronic advertising, endorsement by famous Indian personalities and visual merchandising including revamped stores. We also seek to improve our web presence through popular social networking websites and through distribution agreements with some of the leading Indian digital commerce platforms. We also participate in college and university festivals and conduct road shows specifically targeting the youth and in the future we are also targeting conducting as well as participating in fashion events. Further, we seek to enhance our brand image by controlling the distribution of our products. We sell our products through various retail channels that merchandise our products in an environment that supports and reinforces our brand and that provide a superior brand experience. We believe that the scale of our business provides us the ability to increasingly focus on branding and promotion to further increase our visibility and market share in pan India.

Our marketing department comprises a team of marketing professionals located at our office in Gurgaon. The visual merchandising and marketing teams work together to present our products in an engaging and innovative manner and we are focused on enhancing our advertisements through hoardings, in print media as well as e-mail and social media in order to cater to consumers across our target consumer segment. Historically, we have engaged popular models and celebrities including movie actors for promoting our brand and products. Pursuant to our strategy which is being developed in consultation with our media partner Hakuhodo Percept Private Limited, we intend to place greater emphasis on television and internet advertising. Our customer relationship and loyalty programs at our Franchisee operated EBOs and COCO stores and we aim to deepen our relationship with our customers and complement the in-store experience. We communicate regularly with our loyalty programme members about our new collections, in-store promotions and end of season sales. Our website is used to support and supplement the promotion of our products and brand. As per our consolidated restated financial information, we have incurred an expenditure of ₹483.33 lacs, ₹ 392.54 lacs and ₹ 330.58 lacs towards advertisement and business promotion for Fiscals 2013, 2014 and 2015. In addition to our marketing events and endorsements, we plan to regularly familiarize retailers and distributors with our product line and help them to more effectively sell our products to end consumers, including through visual merchandising such as creating branded display counters at retail stores, which we believe improve our brand awareness and profile.

## **Capacity and Capacity Utilisation**

Pursuant to the nature of the Industry, our Company is largely dependent on manpower (i.e., labors). Every product which our Company manufactures has manual intervention in the manufacturing activity which is dependent on skills and turnaround time of each of the labors. Hence, the installed capacity or capacity utilization is mapped with the type of product under manufacturing and the manpower deployed therein. Thus, we believe, addition of plant & machinery in the books of industry players is the only indication to understand the requirement of further capital expenditure.

## Utilities

**Power:** Our Gurgaon facility has a sanctioned load capacity of 700 KW from Dakshin Haryana Bijli Vitran Nigam and our Selaqui facility has a sanctioned load capacity of 175 KVA from Uttarakhand Power Corporation Limited.

**Water:** In our Gurgaon facility, to meet the washing and sanitary requirements, we consume water supplied to us by the municipal corporation. At our unit in Selaqui we have one bore well which is sufficient to meet our water requirements as most of our water discharge is recycled.

**Fuel:** We use diesel for DG sets (generators) at our Gurgaon and Selaqui facilities which are used as standby arrangement for power. At present, we have five generators with a total capacity of 1,140 KVA in our Gurgaon facility and in Fiscal 2015 total usage of diesel was 40,440 liters. In our Selaqui facility, we have two generators with a total capacity of 375 KVA and in Fiscal 2015 the total usage of diesel was 37,008 liters.

## Effluent Treatment & Disposal

We have set up an effluent treatment plant in our Gurgaon facility for treating the waste water that is discharged during washing activity and removing the impurities that are added during the washing activity. We have also started the process of constructing a zero discharge ETP at our Selaqui facility since we will be carrying out washing activities at this facility as well.

## Solar Water Heating System

At our Gurgaon facility, we have installed two solar water heating systems that can heat 10,000 litres of water daily. The solar water heating system converts sunlight into renewable energy to heat water upto a temperature of 60 °C to 80 °C and this hot water is then used in our washing process. The solar water heating systems are environment friendly, saves energy and also help us to reduce load on our oil fed boilers.

## Insurance

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards. Our Company has, *inter-alia*, obtained Standard Fire & Special Peril Policy, Marine Cargo Open Policy, Money Insurance Policy, Fidelity Guarantee Policy, Burglary Policy etc. These insurance policies are generally valid for one year and are renewed annually by us. As on the date of this Draft Red Herring Prospectus, there have been no material claims made under the Insurance Policies.

Our Company has not availed product liability insurance, business interruption insurance, workmen's compensation insurance and group medical insurance policies.

## Competition

The apparel manufacturing and retail industry in India is highly fragmented, with a large number of small and medium sized manufacturers. Our cost effective - vertically integrated facilities, our focus on customer satisfaction through in-house designing capabilities combined with our quality consciousness provides us with a competitive advantage for most of our products. To remain competitive, we strive to reduce our cost of production and improve our product offerings, our advertising communications and our operating efficiencies. Our Company faces competition from brands like John Miller, Killer, Spykar, Cantabil, Dare Jeans, Flying Machine in the Mid Premium segment and from brands like Lee, Levis, Spykar Wrangler, Pepe in the Premium segment.

## Human Resources

Our human resource policies are aimed towards creating a skilled and motivated work force. We believe in recognizing talent and potential in our employees and encouraging them to take additional responsibilities. Based on performance, we calibrate our employees and reward performance and loyalty by preferring in-house promotions to lateral hiring. We conduct functional and behavioral training for our employees to develop skills set in each employee that complements their key responsibility areas, and helping them perform with improved efficiency. We also train our employees to assume cross-functional responsibilities. Our total employee benefit and job work charges, as a percentage of our total expenses for Fiscals 2011, 2012, 2013, 2014 and 2015 is 25.28%, 24.44%, 17.69%, 21.25% and 21.14%. For each of our COCO stores, we appoint customer sales representatives and for our Franchisee Operated EBOs, the customer sales representatives are appointed by the respective franchisees, in consultation with our Company. We provide continuous training to these customer sales representatives, from time to time, to ensure that our employees have the skills to meet our customers' demands and provide quality customer service. To ensure all our customers are well serviced, our Company conducts regularly training on soft skills to our employees, particularly on product knowledge as well as

selling and interpersonal skills. Further, to provide motivation to our employees, we follow a system of performance-linked incentives, linking individual performances to targets for employees both at the front and at the backend. To ensure performance and quality of work of our employees, we have a performance appraisal system, with a view to reward them and also to set a corrective mechanism to understand the support required and developmental needs of the employees to meet their targets. The performance appraisal for each employee is conducted on a half yearly basis and if an employee's performance meets the expected levels, such employee will be eligible for an increase in salary. Historically, our attrition level has been commensurate with the industry standards.

### Corporate Social Responsibility

As its corporate social responsibility (“CSR”), our Company has started an initiative namely ‘Village Indigo’ (“Initiative”) at Abheypur, a village in Gurgaon, Haryana with a view to revive the handloom weavers industry in the village and contribute towards the social and economic development of the village. Under the Initiative, we train and engage the local community, especially women, to operate the looms and weave fabrics, which are later converted into apparels and sold by us. For this Initiative, our Company has partnered with Vision of India, NGO to set up and maintain handlooms, train women to weave the fabric etc. After purchasing the woven fabrics from the village, we utilize the fabrics for making various products such as casual shirts, sleeveless bandgala Nehru jackets etc., which are sold by us under our ‘Village Indigo’ brand. Further, through this Initiative, our Company is also encouraging women in the villages to be financially independent and sustain themselves by earning an extra income which can be spent by them on health and education of their children and families.

### Workforce

As on March 31, 2105, we had a workforce of 592 across our Registered Office, manufacturing facilities and COCO stores. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

The break-up of employees of our Company can be summarised as follows:

Category	Registered Office and Gurgaon Facility	Selaqui Facility	COCO Stores
Management	7	-	-
Senior Executives	9	-	-
Managerial and Supervisory Staff	68	6	33
Administrative Office	2	-	-
COCO Stores Staff	-	-	59
Skilled/ semi-skilled	195	29	-
Unskilled Workers	35	9	16
Contract Labourers	78	46	-
<b>Total</b>	<b>394</b>	<b>90</b>	<b>108</b>

### Intellectual Property

For further details of the trademarks registered in the name of our Company and the applications made for registration, please refer to the chapter titled “Government and Other Approvals” on page 347 of this Draft Red Herring Prospectus.

### Our Properties

The following table sets forth our freehold and leasehold properties as on the date of this Draft Red Herring Prospectus:

#### a) Freehold properties

Sr. No.	Documents providing title and registration details	Name of the purchaser/transferee	Name of the seller/transferor	Consideration (In ₹)	Particulars of the property/description	Usage
a)	Conveyance Deed dated October 26, 2006	Narinder Singh Dhingra *	The Haryana State Industrial Development Corporation Limited	₹ 45,00,000**	Area admeasuring approximately 1,800 square meters situated at plot no. 408, Sector 8, Industrial Estate IMT Manesar, Haryana, India	Commercial
b)	Conveyance	Numero	Uno MGF	₹ 1,27,66,680	Area admeasuring	COCO

Sr. No.	Documents providing title and registration details	Name of the purchaser/transferee	Name of the seller/transferor	Consideration (In ₹)	Particulars of the property/description	Usage
	deed dated October 10, 2014	Clothing Limited	Developments Limited, Columbia Holdings Private Limited, Moonlight Continental private Limited and Mahavir Singh		approximately 1,182.10 square feet situated at UG – 054, ground Floor, (Deck Level), Sector 28, Mehrauli – Gurgaon Road, Village Sirhaul, Gurgaon, Haryana, India	Store

\* *Vide its letter bearing number HSIIDC/IMT/ESTATE/2007/5296 dated November 5, 2007, The Haryana State Industrial & Infrastructure Development Corporation Limited accepted the request of Narinder Singh Dhingra and transferred the said property to our Company's name.*

\*\* *excluding any compensation thereof*

#### b) Leasehold properties

Sr. No.	Details of Deed/Agreement	Particulars of the property, Description and Area	Consideration/license fee/rent (in ₹)	Tenure/Term	Existing usage
a)	Lease Deed dated January 8, 2004 between U.P. State Industrial Development Corporation Limited and Narinder Singh Dhingra*	Area admeasuring approximately 8,059.30 square meters approximately situated at A-2/2, industrial area, Selaqui, Tehsil and District Dehradun, Uttarakhand, India	Premium of ₹ 9,67,116. Rent at the rate of ₹ 2,000 per hectare for first thirty years Rent at the rate of ₹ 5,000 per hectare for next thirty years Rent at the rate of ₹ 10,000 per hectare for next thirty years i.e. after expiry of sixty years.	90 years	Manufacturing facility
b)	Lease Deed dated February 2, 2015 between PMW Estates LLP and our Company	On Railway road, Gurgaon in the revenue estate of Gurgaon. Khata no. 3862/5281, khasra no. 7784/369, area 0-7-0, khata no. 152/284, khasra no. 5486/2905/2, 0-5-0, khata no. 3861/3486, khasra no. 4104/368, 0-11-0, khata no. 3935/3553, khasra no. 367, 1-10-0	₹ 6,48,300 per month excluding service tax	Till February 29, 2016	Registered office and manufacturing facility
c)	Lease Deed dated April 1, 2015 between Narinder Singh Dhingra and Numero Uno Clothing Limited	Area admeasuring approximately 12,000 square feet situated at A – 139/3, Okhla Industrial Area, Phase-II, New Delhi - 110020, India	Rent of ₹ 7,26,000 per month plus service tax	11 months from April 1, 2015 till February 29, 2016	Commercial
d)	Lease Deed dated May 9, 2014 between M/s Surya Associates and our Company	Ground floor, G12 JOP Plaza, sector – 18, Noida, District Gautum Budh Nagar, (U.P) super area measuring 528.84 sq. ft. super area.	Fixed monthly rent – ₹ 92,575/-	3 years from May 9, 2014 to May 8, 2017	Branch office

\* *State Infrastructure & Industrial Development Corporation of Uttarakhand Limited vide its letter dated May 25, 2012, accepted the request of Narinder Singh Dhingra and transferred the lease hold rights from Narinder Singh Dhingra to Numero Uno Clothing Limited*

Apart from the properties mentioned above, some of our franchisee operated EBOs (for which our Company is paying rent) and COCO stores (except for one located in Gurgaon, the premises for which are owned by our Company) have been taken by us on leave and license/ lease basis from various parties across India for which we have entered into 48 leave and license/ lease/ rental agreements for the same.

## KEY REGULATIONS AND POLICIES

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

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

### FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is governed by the provisions of the FEMA read with the applicable FEMA Regulations. The DIPP has issued ‘Consolidated FDI Policy Circular of 2014’ (“**FDI Policy**”) which consolidates the policy framework on FDI, with effect from April 17, 2014. The FDI Policy consolidates all the press notes, press releases, and clarifications on FDI issued by DIPP.

Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, where approval from the Government of India or RBI is required, depending upon the sector in which foreign investment is sought to be made.

Under the automatic route, the foreign investor or the Indian company does not require any approval from the RBI or Government of India for investments. However, if the foreign investor has any previous joint venture/tie-up or a technology transfer/trademark agreement in the “same field” in India as on January 12, 2005, prior approval from the FIPB is required even if that activity falls under the automatic route, except as otherwise provided.

Under the approval route, prior approval of the Government of India through FIPB is required. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the FIPB, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

### TRADE RELATED LEGISLATIONS

#### 1. Foreign Trade (Development and Regulation) Act, 1992

The Foreign Trade (Development and Regulation) Act, 1992 (“FTDRA 1992”) seeks to increase foreign trade by regulating imports and exports to and from India. The FTDRA 1992 prohibits a person or company from making any exports or imports unless such a person or company has been granted an importer-exporter code number.

#### Industry Specific Laws

#### 1. Punjab Shops and Establishment Act, 1958

The respective State Governments have the power to make laws on the subject matter. In exercise of these powers, various State Governments have enacted the shops and establishments act which is applicable to the shops and commercial establishments within the respective states as may be specified by the Government. Each state has its own legislation on shops and establishments which lay down inter alia, guidelines for regulating the hours of work, payment of wages, leave holidays, terms of service, overtime and other conditions of work of persons employed in shops, commercial establishments etc. and to discourage the malpractices by employers towards their employees. The Punjab Shops and Establishments Act, 1948 governs our Company as our Company has its registered office in the state of Gurgaon, Haryana. It is compulsory for every employer to get his establishment registered under the Act by making an application in the prescribed form accompanied by the prescribed fee. On having been satisfied about the correctness of the particulars contained in the application Form and the amount fee, the authority is required to register the establishment. Under Rule 13(1) of the Punjab Shops and Commercial Establishment Rules, 1958 Inspector of the area is the designated authority for registration. The fee is charged for registration of certain categories of shops or establishment as specified in Rule 13 of Punjab and Shops and Commercial Establishment Rules, 1958

The period specified in Sub – Section 3, the employer of every establishment shall send to the prescribed authority concerned a statement in the prescribed and containing:

- a) name of the employer and the manager, if any;
- b) postal address of the establishment;
- c) the name, if any, of the establishment;
- d) number of persons employed
- e) Such other particulars as may be prescribed.

## **2. Delhi Shops Act, 1954**

The provisions of the Act will apply to the shops and establishments located in Delhi. The occupier of every establishment must register his establishment by serving the prescribed form to the Chief Inspector. The Act prohibits the employment of adults for more than 9 hours on any day or 48 hours in a week and the employment of children.

## **3. Bombay Shops and Establishments Act, 1948**

The Act provides for compulsory registration of shops / establishments, communication of closure of shops / establishments, lays down the hours of work - per day & week; guidelines for rest interval, opening and closing hours, closed days, national and religious holidays, overtime work; Rules for employment of children, young persons and women; annual leaves, maternity leaves, sickness and casual leaves; employment and termination of service etc.; Provides for maintenance of statutory registers & records and display of notices and for obligations of employers as well as employees.

## **4. Karnataka Shops and Commercial Establishment Act, 1961**

The Act extends to the whole of Karnataka and provides for the compulsory registration of the establishment and an extra wage for overtime work; weekly holidays; opening and closing hours for the establishment; annual leave with wages.

## **5. West Bengal Shops and Establishments Act, 1963**

The Act extends to the whole of West Bengal and provides for the maximum working hours for an employee which must not exceed eight and a half hours in a day and forty eight hours in the week also the time for overtime work must not exceed ten hours a day and one hundred and twenty hours in a year.

## **6. Bihar Shops and Establishments Act, 1953**

The Act extends to the State of Bihar and to establishments covered under the Bihar Factories Act. The State Government is given the power under the Act to make rules for the registration and establishment of any establishment and prescribe the manner for its registration. The Act provides for intervals of rest and weekly holidays and a service card must be provided to every employee. It prohibits the employment of young persons for more than seven hours in a day or forty eight hours in a week and allows an annual leave with wages.

## **7. The Gujarat Shops and Establishments (Employees Life Insurance) Act, 1980**

This act applies to the state of Gujarat and elucidates on applicability of benefit of life insurance on the employees, contributions to be made, powers and duties under the act given to the local authority and state government, power of the state government to make bye-laws, powers and duties of inspectors and duties of employees for the purpose of this act.

## **8. The Madhya Pradesh Shops and Establishments Act, 1958**

The Act provides for compulsory registration of shops / establishments, communication of closure of shops / establishments, lays down the hours of work - per day & week; guidelines for rest interval, opening and closing hours, closed days, national and religious holidays, overtime work; Rules for employment of children, young persons and women; annual leaves, maternity leaves, sickness and casual leaves; employment and termination of service etc.; Provides for maintenance of statutory registers & records and display of notices and for obligations of employers as well as employees.

## **9. The Himachal Pradesh Shops and Commercial Establishments Act, 1969**

The Act provides for compulsory registration of shops / establishments, communication of closure of shops / establishments, lays down the hours of work - per day & week; guidelines for rest interval, opening and closing hours, closed days, national and religious holidays, overtime work; Rules for employment of children, young persons and women; annual leaves, maternity leaves, sickness and casual leaves; employment and termination of service etc.; Provides for maintenance of statutory registers & records and display of notices and for obligations of employers as well

as employees.

#### **10. The Andhra Pradesh Shops and Commercial Establishments Act, 1988**

The Act provides for compulsory registration of shops / establishments, communication of closure of shops / establishments, lays down the hours of work - per day & week; guidelines for rest interval, opening and closing hours, closed days, national and religious holidays, overtime work; Rules for employment of children, young persons and women; annual leaves, maternity leaves, sickness and casual leaves; employment and termination of service etc.; Provides for maintenance of statutory registers & records and display of notices and for obligations of employers as well as employees.

#### **11. The Uttar Pradesh Shops and Commercial Establishments Act, 1962**

The U.P Shops & Commercial Establishment has been enacted for regulating the conditions of service of employees working in shops and commercial establishments locate in Uttar Pradesh. The Act provides for the process of registration, working hours and weekly holidays, entitlement of leave, payment of wages and maintenance of registers and other records to be followed by any shop or commercial establishment falling under the purview of the U.P Shops and Commercial Establishments Act, 1962.

#### **12. Boilers Act, 1923**

The Act extends to establishments which have set up steam pipes, locomotive boilers. The Act provides for certain conditions precedent to be abided by the establishment before manufacturing any boiler. An Inspection Authority would carry out an inspection and issue a certification of boiler. The conditions precedent laid down by the Act for using a boiler are as follows:

- he has provided in the premises or precincts, where in such boiler component or both are being used, such facilities for repairs as may be prescribed by regulations;
- the design and drawings of the boiler or boiler component, as the case may be, and the materials, mountings and fittings used in the repair of such boiler or boiler component conform to the regulations;
- persons engaged in welding, holds a Welders certificate issued by a Competent Authority
- every user who does not have the in-house facilities for repair of boiler or boiler component shall engage a Boiler Repairer possessing a Boiler Repairer certificate for repair of a boiler or boiler component or both, as the case may be;
- every user shall engage a Competent Person for approval of repairs to be carried out in house or by the repair.

#### **General Laws:**

##### **I) Employment & Labour Related Laws**

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

The abovesaid act applies to every industrial establishment wherein one hundred or more workmen are employed or were employed on any day of the preceding twelve months. Such industrial establishments shall submit to the Certifying Officer five copies of the draft standing orders proposed by him to be adopted in the industrial establishment. Standing orders shall contain classification of workers, shift timings, wage rates, work hours, pay days, shift working etc. the text of the standing orders as finally certified under this act shall be predominantly posted by the employer in English and in the language understood by the majority of his workmen on special boards to be maintained for the purpose at or near the entrance through which the majority of the workmen enter the industrial establishment and in all departments thereof where the workmen are employed. Any contravention shall be punishable with fine which may extend to ₹ 5000 and in case of continuing offence with a further fine which may extend to ₹ 200 every day after the first for which default continues.

##### **2. Inter-State Migrant Workmen (Regulation of employment and Conditions of Service) Act, 1978**

The inter-state Migrant Workmen (Regulation of employment and conditions of Service) Act, 1978 lays down the rules and regulations in relation to the registration of the establishments under the act, Licensing of Contractors, Revocation, suspension and amendment of license, Duties and obligations of contractors, wages, welfare and other benefits to be provided to interstate migrant workman, registers to be maintained by the principal employers and contractors. Contravention of the provisions of the act shall lead to imprisonment of 1 year or fine of ₹ 1000/- or both. In case of continued contravention, an additional fine of ₹ 100 per day of contravention may be levied.



### **3. Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPFMP Act")**

The EPFMP Act is applicable to the establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPFMP Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPFMP Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund.

The Finance Minister in his budget speech had announced the increase of the statutory wage ceiling from the existing level of ₹ 6,500/ month to ₹ 15,000/ month as well as the payment of a minimum pension of ₹ 1,000/ month for all members of the pension scheme. Recently, the Ministry of Labour & Employment, Government of India (MLE) has issued notifications and made amendments to the Employees' Provident Fund Scheme, 1952 (EPF), Employees' Pension Scheme, 1995 (EPS) and Employees' Deposit Linked Insurance Scheme, 1976 (EDLI) effective from September 1, 2014. The key amendments are as below:

- The statutory wage ceiling under the EPF, EPS and EDLI has been increased from ₹ 6,500 to ₹ 15,000 per month.
- For the Fiscal 2015, the minimum pension is fixed at ₹ 1,000/- per month for the members of the EPS or their nominee/ widow, etc.
- Effective September, 1, 2014, all new EPF members shall not become a member of EPS, if their pay is more than ₹ 15,000/ month at the time of joining. In other words, no allocation towards pension fund will be made for such new members and the entire employee and employer contribution will go to the provident fund account.
- The insurance benefit under the EDLI has been increased by 20% in addition to the existing admissible benefits.

### **4. Employees' State Insurance Act, 1948 (the "ESI Act")**

All the establishments to which the ESI Act applies are required to be registered under the ESI Act with the Employees State Insurance Corporation. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. 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 Employee State Insurance department.

As per the Employees State Insurance (Amendment) Act, 2010 wherein the following provisions were inserted:

- The scope the definition of "dependent" was widened to include legitimate or adopted son who has not attained the age of twenty five years.
- The definition of employee now includes apprentices appointed under standing orders but excludes only the apprentices appointed under the Apprentices Act 1961.
- The distinction of segregating factories into 2 categories has been removed and all those factories are covered if they employ ten or more persons irrespective whether run with power or without power.
- The limit of funeral expenses has been revised to ₹ 10,000/-

### **5. Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 is the main legislation for investigation and settlement of all industrial disputes. The Act enumerates the contingencies when a strike or lock-out can be lawfully resorted to, when they can be declared illegal or unlawful, conditions for laying off, retrenching, discharging or dismissing a workman, circumstances under which an industrial unit can be closed down and several other matters related to industrial employees and employers. According to the Industrial Disputes Act, 1947, the term 'industrial dispute' means "any dispute or difference between employers and employees, or between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment, or the terms of employment or with the conditions of labour, of any person". The basic objectives of the Industrial Disputes Act, 1947 are:-

- To provide a suitable machinery for the just, equitable and peaceful settlement of industrial disputes.
- To promote measures for securing and preserving amity and good relations between employers and employees.
- To prevent illegal strikes and lockouts.
- To provide relief to workers against layoffs, retrenchment, wrongful dismissal and victimisation.
- To promote collective bargaining.
- To ameliorate the conditions of workers.
- To avoid unfair labour practices.

The above act provides for the statutory machinery for conciliation and adjudication of industrial disputes such as conciliation officers, a board of conciliation, courts of inquiry, labour courts, industrial tribunals, etc.

## **6. Factories Act, 1948**

The Factories Act, 1948, as amended (the “Factories Act”), defines a ‘factory’ to be any premises on which on any day in the previous 12 months, 10 or more workers are or were working and on which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the ‘occupier’ of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions.

If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment for a term of up to two years or with a fine up to ₹ 100,000 or with both, and in case of contravention continuing after conviction, with a fine of up to ₹ 1,000 per day of contravention. In case of a contravention which results in an accident causing death or serious bodily injury, the fine shall not be less than ₹ 25,000 in the case of an accident causing death, and ₹ 5,000 in the case of an accident causing serious bodily injury.

The Ministry of Labour and Employment proposes to amend the Factories Act, 1948 *vide* Office Memorandum dated June 5, 2014 wherein it is proposed to redefine the term “hazardous process” as a process in which a hazardous substance is used and the term “hazardous substance” would have the same meaning as assigned in the Environment Protection Act, 1986. An Occupier would now be required to take permission from the State Government for expansion of a factory within certain prescribed limits. Various safety precautions have been taken by the State Government to prevent persons to enter any confined space unless a written certificate has been given by a competent person and such person is wearing a suitable breathing apparatus. The occupier of a factory which is engaged in a hazardous process is required to inform the Chief Inspector within 30 days before the commencement of such process. An Inquiry Committee will be appointed by the Central Government to inquire into the standards of health and safety observed in the factory.

## **7. Contract Labour (Regulation and Abolition) Act, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “CLRA”), requires establishments that employ or have employed on any day in the previous 12 months, 20 or more workmen as contract labour to be registered and prescribes certain obligations with respect to the welfare and health of contract labour.

The CLRA requires the principal employer of an establishment to which the CLRA applies to make an application to the registering officer in the prescribed manner for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a licence and not to undertake or execute any work through contract labour except under and in accordance with the licence issued.

To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor including the establishment of canteens, rest rooms, drinking water, washing facilities, first aid facilities, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be imposed for contravention of the provisions of the CLRA.

It shall be the duty of the contractor to ensure the disbursement of wages in the presence of the authorized representative of the principal employer. In case the contractor fails to make payment of wages within the prescribed period or makes short payment, then the principal employer shall be liable to make payment of wages in full or unpaid balance due, as the case may be, to the contract labour employed by the contractor and recover the amount so paid from the contractor either by deduction from any amount payable to the contractor under any contract or as debt payable by the contractor.

## **8. Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 was formulated to fix minimum rates of wages in certain employments by the appropriate government. The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages may consist of a basic rate of wages and a special allowance; or a basic rate of wages and the cash value of the concessions in respect of supplies of essential commodities; or an all-inclusive rate allowing for the basic

rate, the cost of living allowance and the cash value of the concessions, if any. The appropriate government may also fix hours for normal working day, overtime, wages of worker who works for less than normal working day, wages for two or more classes of work, minimum time rate for wages for piece work. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate government. Every employer shall maintain registers and records giving particulars of employees employed by him, the work performed by them, the wages paid to them, receipts given by them, and such other particulars in prescribed form, the wages paid to them. If any employer pays to any employee less than the minimum rates of wages fixed for that employees class of work or less than the amount due to him under the provisions of this act or contravenes any rule or order in relation to work hours stipulated by the appropriate government, the employer shall be punishable with imprisonment for a term up to six months or a fine up to ₹ 500 (Indian Rupees five hundred only) or both. Any employer who contravenes any provisions of the act or any rule or order, if no other penalty is provided for such contravention, he shall be punishable with fine extending to ₹ 5000/- (Indian Rupees five thousand only).

The Ministry of Labour and Employment have *vide* Office Memorandum dated June 17, 2014 proposed certain amendments to the Minimum Wages Act, 1948 which include the revision of the minimum wages payable to the employees at intervals of not exceeding 5 years due to the rise in the Consumer Price Index; All scheduled employments need not be individually represented in the Advisory Boards/Committees/Sub-Committees.

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

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

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

Pursuant to the Payment of Bonus Act, 1965, as amended (the "Bonus Act"), an employee in a factory or in any establishment where 20 or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus.

Contravention of the provisions of the Bonus Act by a company is punishable with imprisonment for a term of up to six months or a fine of up to ₹ 1,000 or both, against persons in charge of, and responsible to our Company for the conduct of the business of our Company at the time of contravention.

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

Under the Payment of Gratuity Act, 1972, as amended (the "Gratuity Act"), an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement or resignation, superannuation or death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed ₹ 350,000/-.

An employee in a factory is said to be 'in continuous service' for a certain period notwithstanding that his service has been interrupted during that period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee. The employee is also deemed to be in continuous service if the employee has worked (in an establishment that works for at least six days in a week) for at least 240 days in a period of 12 months or 120 days in a period of six months immediately preceding the date of reckoning.

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

Payment of Wages Act, 1936 contains provisions as to the minimum wages that are to be fixed by the appropriate Governments for the employees, fixation and revision for the minimum wages of the employees, entitlement of bonus to the employees, fixing the payment of wages to workers and ensuring that such payments are disbursed by the employers within the stipulated time frame and without any unauthorized deductions.

### **13. The Shops and Commercial Establishments Acts**

The Shops and Establishments Act, 1953 was enacted to provide statutory obligation and rights to employees and employers in the unorganised sector of employment, i.e. shops and establishments. It is applicable to all persons

employed in an establishment with or without wages, except the members of the employer's family. It is a State legislation and each State has framed its own rules for the Act.

The State Government can exempt, either permanently or for a specified period, any establishments from all or any provisions of this Act. The Act provides for compulsory registration of shop/ establishment within thirty days of commencement of work and all communications of closure of an establishment within 15 days from its closing. It also lays down the hours of work per day and week as well as the guidelines for spread-over, rest interval, opening and closing hours, closed days, national and religious holidays, overtime work, etc.

#### **14. Maternity Benefit Act, 1951**

The Act was enacted for protecting the dignity of motherhood by providing complete health care to women and her child when she is unable to perform her duty due to health condition. The Act applies to every factory, shop or establishment wherein 10 or more persons are employed. The Act prescribes a 84 days leave before or after the delivery, medical bonus of ₹ 1,000/-, pay for 6 weeks before or after the child birth within 48 hours of request, an additional leave with pay upto one month, miscarriage of six weeks leave with an average pay.

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

The Equal Remuneration Act, 1976 (the "Equal Remuneration Act"), provides for payment of equal remuneration to men and women workers for the same work, and prevents discrimination on the grounds of sex, against women in the matter of employment. The Equal Remuneration Act gives statutory recognition and enforceability to the directive principle contained in Article 39(d) of the Constitution of India, which envisages that State shall direct its policy towards ensuring that there is equal pay for equal work for both men and women.

#### **16. The Employee's Compensation Act, 1923**

The Employee's Compensation Act, 1923 (the "Employee's Compensation Act"), was framed with a view to provide compensation to workmen (or their dependants as the case may be), including those employed by a contractor, due to such workmen, for disablement, either partially or fully, or death, caused by an injury from an accident arising out of and in the course of employment. However, no compensation shall be payable if the injury does not result in the disablement of the workman for a period of more than 3 days or if such workman was, at the time of such injury, under the influence of drugs or alcohol, or if such workman wilfully disobeyed and disregarded the safety rules prescribed by the employer.

### **II) Tax Related Legislations**

#### **1. Value Added Tax ("VAT") Act and Rules, 2008**

The levy of Sales Tax within the state is governed by the Value Added Tax Act and Rules 2008 ("the VAT Act") of the respective states. The VAT Act has addressed the problem of Cascading effect (double taxation) that were being levied under the hitherto system of sales tax. Under the current regime of VAT the trader of goods has to pay the tax (VAT) only on the Value added on the goods sold. Hence VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax- that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. Periodical returns are required to be filed with the VAT Department of the respective States by the company.

#### **2. Income Tax Act, 1961**

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

#### **3. Central Excise Act, 1944**

The Central Excise Act, 1944 seeks to impose an excise duty on excisable goods which are produced or manufactured in India. The rate at which such a duty is imposed is contained in the Central Excise Tariff Act, 1985. However, the Indian Government has the power to exempt certain specified goods from excise duty by notification.

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

The Central Sales Tax Act, 1956 governs the levy of sales tax for the whole of India on the sale or purchase of goods generally or on any specified goods expressly mentioned in that behalf.

Every dealer, who in the course of inter-State trade or commerce:

- (a) sells to the Government any goods; or
- (b) sells to a registered dealer other than the Government

shall be liable to pay tax under this Act, which shall be two percent of his turnover or at the rate applicable to the sale or purchase of such goods inside the appropriate State under the sales tax law of that State, or, as the case may be, under any enactment of that State imposing value added tax, whichever is lower.

## **5. State Sales Tax/Value Added Tax Legislations**

In India, sales tax is levied at two levels, at the central level under the CST Act and at the state level under the respective state sales tax/value added tax legislations. Intra-state sales, i.e. sale of goods within the jurisdiction of a state are levied with a value added tax (“VAT”) under the VAT legislation of that state. The state government has the authority to notify the rate of VAT applicable to sale of goods. Registration of a dealer, under the applicable state VAT legislation, can either be mandatory or voluntary. Registration is mandatory when the total sales turnover of the dealer exceeds the threshold limit provided in the applicable state VAT legislation. However, where the prescribed threshold limit is not breached, the dealer may, at his own option, register himself under the applicable state VAT legislation. The following state VAT legislations are applicable to us:

- Haryana Value Added Tax Act, 2004;
- Uttarakhand Value Added Tax Act, 2005.

## **III) Intellectual Property Rights**

### **1. Trademarks**

Trademarks have been defined by Trade Related Intellectual Property (TRIPs) as any sign, or any combination of signs capable of distinguishing the goods or services of one undertaking from those of other undertakings. Such distinguishing marks constitute subject matter under TRIPs. TRIPs provide that initial registration and each renewal of registration shall be for a term of not less than ten years and the registration shall be renewable indefinitely. Compulsory licensing of trademarks is not permitted. In light of the changes in trade and commercial practices, globalisation of trade, the need for simplification and harmonisation of trademark registration systems etc., the Indian Parliament undertook a comprehensive review of the Trade and Merchandise Marks Act, 1958 and replaced the same with the a new legislation viz. The Trade Marks Act, 1999. This Act makes trademarks law compatible with TRIPs and also harmonises it with international systems and practices.

### **2. Design Act, 2000**

Industrial designs refer to creative activity which result in the ornamental or formal appearance of a product and design right refers to a novel or original design that is accorded to the proprietor of a validly registered design. Industrial designs are an element of intellectual property. The minimum standards of protection of industrial designs have been provided for, under the TRIPs Agreement. As a developing country, India has already amended its national legislation to provide for these minimal standards.

The essential purpose of design law is to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The existing legislation on industrial designs in India is contained in the Designs Act, 2000 and this Act will serve its purpose well in the rapid changes in technology and international developments. India has also achieved a mature status in the field of industrial designs and in view of globalization of the economy, the present legislation is aligned with the changed technical and commercial scenario and made to conform to international trends in design administration.

Under the Designs Act, 2000, designs of articles, which serve the purpose of visual appeal, are registrable. The designs should represent a shape, configuration, pattern, or ornamentation of an article. The design should be capable of being applied to an article to enhance its appeal to the eye e.g. shape of pen, combs, pressure cooker or ornamentation on carpet etc. which add only aesthetic value of the article. Design should be incorporated to the article by an industrial process or means. Therefore mere painting of natural scene will not be considered as a subject matter for registration. Designs, which are solely functional, or the principle or the mode of construction of an article shall not be the subject matter of registration.

### **3. Designs Rules, 2001**

In the Third Schedule of Designs Rules, 2001 the classification of goods has been mentioned. Classification is based on Locarno Agreement. Only one class number is to be mentioned in one particular application.

The classification of goods is on the basis of articles. Articles are grouped into 32 classes and further divided into sub-classes. The classification of articles is function oriented (e.g. class 1- Foodstuffs, class 2- Articles of clothing and haberdashery class 3- Travel goods, cases, parasols and personal belongings etc.) A design cannot be registered in more than one class.

The design should be new or original, not previously published or used in any country before application for registration; The design should relate to the feature of a shape, configuration, pattern or ornamentation applied or applicable to any article; The design should be applied or applicable to any article by way of any industrial process or means; The design should be visible on the finished article; The design should not be a mode or principle of construction or operation or anything, which is a functional component of the device; The design should not comprise of a trademark or property mark or artistic work as defined under the Copyright Act; The design should not be contrary to public order or morality.

#### **IV) Environment Regulation**

1. Our Company is subject to Indian laws and regulations concerning environmental protection. The principal environmental regulations applicable to industries in India are the Water (Prevention and Control of Pollution) Act, 1974, the Water Access Act, 1977, the Air (Prevention and Control of Pollution) Act, 1981, the Environment Protection Act, 1986 and the Hazardous Wastes (Management and Handling) Rules, 1989. Further, environmental regulations require a company to file an Environmental Impact Assessment (**EIA**) with the State Pollution Control Board (**PCB**) and the Ministry of Environment and Forests (**MEF**) before undertaking a project entailing the construction, development or modification of any plant, system or structure. If the PCB approves the project, the matter is referred to the MEF for its final determination. The estimated impact that a particular project might have on the environment is carefully evaluated before granting clearances. When granting clearance, conditions may be imposed and the approving authorities may direct variations to the proposed project. The company is also to obtain NOC under the abovesaid act in respect to its Diesel Generator set planted in the Gurgaon and Dehradun facilities.

#### **2. The Air (Prevention and Control of Pollution) Act, 1981**

The Air (Prevention and Control of Pollution) Act, 1981 (“**Air Act**”), aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. The central pollution control board and state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Not all provisions of the Air Act apply automatically to all parts of India, and the state pollution control board must notify an area as an “air pollution control area” before the restrictions under the Air Act.

#### **3. The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008**

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, as amended (**Hazardous Wastes Rules**), which superseded the Hazardous Wastes (Management and Handling) Rules, 1989, state that the occupier will be responsible for safe and environmentally sound handling of hazardous wastes generated in his establishment. The hazardous wastes generated in the establishment of the occupier should be sent or sold to a recycler or re-processor or re-user registered or authorised under the Hazardous Wastes Rules or should be disposed of in an authorised disposal facility. The Ministry of Environment and Forests has been empowered to deal with the transboundary movement of hazardous wastes and to grant permission for transit of hazardous wastes through any part of India. No import of hazardous waste is permitted in India. The State Government, occupier, operator of a facility or any association of the occupier will be individually or jointly or severally responsible for, and identify sites for, establishing the facility for treatment, storage and disposal of hazardous wastes for the State Government.

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

The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the

quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. This legislation debars any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State Pollution Control Board.

The Central and State Pollution Control Boards constituted under the Water Pollution Act are also to perform functions as per the Air Pollution Act for the prevention and control of air pollution. The Air Pollution Act aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area.

#### **5. Approval from State Electricity Boards**

Every Company has to obtain approvals in respect to power consumption for its factory units from their respective state electricity departments. The company has to obtain a power approval certificate from Uttarakhand Power Corporation Limited and Haryana Electricity Regulatory Commission for its Dehradun and Gurgaon Facilities respectively. Also the company has to obtain NOC in relation to the diesel generator sets operating in both facilities.

#### **6. Environment Protection Act, 1986**

The Environment Protection Act has been enacted for the protection and improvement of the environment. The Act empowers the central government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The central government may make rules for regulating environmental pollution. The Environmental Impact Assessment Notification dated September 14, 2006 read with notification dated December 1, 2009 and April 4, 2011, issued under the Environment Protection Act and the Environment (Protection) Rules, 1986, requires prior approval of the Ministry of Environment and Forests, Government of India if any new project in certain specified areas is proposed to be undertaken. To obtain environmental clearance, a no objection certificate must first be obtained from the applicable regulatory authority. The environment clearance (for commencement of the project) is valid for up to 30 years for mining projects and five years for all other projects and activities. This period of validity may be extended by the concerned regulator for up to five years.

The Public Liability Insurance Act, 1991 (the “**Public Liability Act**”) imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

#### **7. Forest (Conservation) Act, 1980**

With respect to forest conservation, the Forest (Conservation) Act, 1980 prevents state governments from making any order directing that any forest land be used for a non-forest purpose or that any forest land is assigned through lease or otherwise to any private person or corporation not owned or controlled by the Government without the approval of the central government. The Ministry of Environment and Forests mandates that Environment Impact Assessment (EIA) must be conducted for projects. In the process, the Ministry receives proposals for the setting up of projects and assesses their impact on the environment before granting clearances to the projects.

#### **8. The Water (Prevention and Control of Pollution) Cess Act, 1977**

The Water (Prevention and Control of Pollution) Cess Act, 1977 (the “**Water Cess Act**”), provides for the levy and collection of a cess on water consumed by persons carrying on certain industries with a view to augment the resources of the central and State PCBs. The Water Cess Act requires a person carrying on any industry which involves the use of water to pay a cess in this regard. For the purpose of measuring and recording the quantity of water consumed, a meter, of such standards as may be prescribed, shall be affixed at such locations as may be prescribed. The Water Cess Act gives a polluter a 25% rebate of the applicable cess upon installing effluent treatment equipment and meeting the applicable norms.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief History of our Company

Our Company was incorporated on December 14, 2006 under the Companies Act, 1956, as a public limited company, in the name of 'Numero Uno Clothing Limited' vide Certificate of Incorporation bearing CIN U18101DL2006PLC156542 issued by Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Company received its Certificate for Commencement of Business pursuant to Section 149 of the Companies Act, 1956 on March 23, 2007. Consequent to our Company's Registered Officer being shifted from New Delhi to Gurgaon, Haryana vide Certificate of Registration of Company Law Board Order for change of state, issued by Registrar of Companies, National Capital Territory of Delhi and Haryana on April 30, 2007, our Company's CIN was changed to U18101HR2006PLC037533.

Our Company was incorporated with main object to take over the business of the proprietorship concern carrying on business in the name of Hi – Fashion Clothing Company. Our Promoter, Chairman and Managing Director, Narinder Singh Dhingra was the proprietor of Hi – Fashion, since 1987 which was carrying on business of manufacturing, wholesaling, retailing and exporting jeans wear, clothing and other accessories under the brand name of 'Numero Uno'. Subsequently, in the year 1991, the name of the proprietorship concern was changed from "Hi Fashion" to "Hi – Fashion Clothing Company". Thereafter, pursuant to an agreement dated March 31, 2007 entered into by and between Narinder Singh Dhingra, the then proprietor of Hi-Fashion, and our Company, our Company took over the business of Hi – Fashion Clothing Company as a going concern with all its assets and liabilities with effect from April 1, 2007. For further details, please refer to the paragraph titled "*Shareholders and other Agreements*" mentioned below on page 155 of this chapter.

### Change in registered office of our Company

At the time of incorporation, our Company's registered office was situated at 7, Hemkunt Colony, New Delhi – 110048. Thereafter, our Company shifted its Registered Office to Gurgaon, Haryana with effect from December 31, 2007, details of which are as below:

Date of Change	Old address	New address	Reason for Change
December 31, 2007	7, Hemkunt Colony, New Delhi – 110048, Delhi, India	568/1, PMW Complex, Railway Road, Gurgaon – 122 001, Haryana, India	Administrative convenience

### Major Events, Milestones, Achievements and Awards

The table below sets forth some of the key events, milestones, achievements and awards in our history since its incorporation.

Year	Events
2003	Inside Fashion Brand Award for excellence in retail performance in category of women's wear (western casual)
2006	Our Company was incorporated in the name of 'Numero Uno Clothing Limited'
2006	The brand of the year – men's casual wear (small and medium) at the Apex Awards 2006
2007	Our Company took over the business of 'Hi-Fashion Clothing Company' a proprietorship concern
2008	Our Company entered into a Shareholders Agreement and Share Subscription with AA Development Capital India Fund 1, LLC whereby they invested ₹ 3,500 lacs in our Company Our Company adopted the SAP module for more efficient and effective management information system for getting the real time data
2008	The brand of the year – women's western wear at the Apex Awards 2008
2008	The brand of the year – men's casual wear (small and medium) at the Apex Awards 2008
2010	Most Promising Brand 2010 in 4Ps Business and Marketing '100 Most Valuable Brands 2010' by Planman Media
2011	Our wholly owned subsidiary was Incorporated in the name of 'Numero Uno Brands Limited'.
2011	Our Company imported the machine with Lazer Technology for designing denims from Jeanologia S.L., Spain
2014	Our Company imported G2 machine, a water-saver technology from Jeanologia S.L., Spain
2015	Certificate of Excellence for "Smart Innovation" by Inc. India Magazine



Year	Events
	Brand Vision India 2020 award for “Visionary of India 2014-2015” by Nexbrands Fashion and Lifestyle Excellence award for the “Most Admired Menswear Brand of the Country”.

### Amendments to the Memorandum of Association

Since incorporation, the following amendments have been made to the Memorandum of Association of our Company:

Date of shareholder’s resolution	Nature of amendments
April 30, 2007	<p><b>Change in Clause V</b> The Authorised Share Capital of our Company was increased from ₹ 50 lacs divided into 5 lacs equity shares of ₹ 10 each to ₹ 650 lacs divided into 65 lacs equity shares of ₹ 10 each.</p> <p><b>Changes in Clause II</b> The registered office of our Company was shifted from the National Capital Territory of Delhi to the State of Haryana</p>
February 11, 2008	<p><b>Change in Clause V</b> The Authorised Share Capital of our Company was increased from ₹ 650 lacs divided into 65 lacs equity shares of ₹ 10 each to ₹ 1,000 lacs divided into 100 lacs equity shares of ₹ 10 each.</p>
March 25, 2008	<p><b>Changes in Clause III A (2)</b></p> <p><b>Clause III A (2) of the objects of our Company were changed from:</b></p> <p><i>To carry on business of manufacturers, importers and exporters, Wholesale and retail dealers in men’s, women’s, children’s clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, jeans, pyjama suits, vests, underwears, socks, stockings, sweaters, laces, suits, pants, workman cloths, uniforms, foundation garments for ladies dresses, brassiers, maternity belts, knee caps, coats, panties, nighties, accessories, shoes and toiletaries.</i></p> <p><b>to the following Clause III A (2) and (3)</b></p> <p><i>“2. To carry on business of manufacturers, makers, producers, processors, distributors, stockists, suppliers, buyers, sellers, fitters, re-fitters, fabricators, designers, printers, bleachers, dyers, twistors, reelers, spinners, weavers, checkers, packers, marketers, importers, exporters, wholesale dealers in men’s, women’s, children’s clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, trousers, jeans, pyjama suits, vests, underwears, under garments, socks, stockings, sweaters, blankets, shawls, laces, suits, pants, workman cloths, uniforms, foundation garments for ladies dresses, brassiers, maternity belts, knee caps, coats, panties, nighties, ready-made garments, made to wear garments, knitwear, hosiery, neckties, caps, headgear, head cap, head dress, shorts, elastic cloth, collars, buttons, zip fastners, lining material, thread, fabric, articles of wool, articles of textile, garment accessories, clothing accessories and all associated works including cutting, stitching, sewing, washing, cleaning, drying, pressing, labeling, branding and job working.</i></p> <p><i>3 To carry on business of manufacturers, makers, producers, distributors, stockists, suppliers, buyers, sellers, designers, printers, checkers, packers, marketers, importers, exporters, wholesale dealers of footwear, shoes, sandals, chappals, soles, laces, footwear accessories, leather accessories, canvas accessories, belt accessories, leather belts, leather bags, leather garments, traveling bags, canvas bags, leather and imitation of leather, articles of leather materials, umbrellas, hides, parasols, walking sticks, whips, harness, saddlery, perfume, deodorants, freshners, watches, eyewears, eyewear accessories, spectacles, lenses, toiletaries and all associated works including branding, labeling and job working.”</i></p>

<b>Date of shareholder's resolution</b>	<b>Nature of amendments</b>
	The existing Clause 3, 4 and 5 were renumbered as Clause 4, 5 and 6.
February 13, 2015	<b>Change in Clause V</b>  The Authorized Share Capital of our Company was increased from 1,000 lacs divided into 100 lacs equity shares of ₹ 10 each to ₹ 6,000 lacs divided into 600 lacs equity shares of ₹10 each.

## **MAIN OBJECT OF OUR COMPANY**

The main objects of our Company, as contained in our Memorandum of Association, are as follows:

- 1 *To takeover the business of a proprietorship concern running under the name and style of M/s HI-FASHION CLOTHING COMPANY working at 7 Hemkunt Colony, New Delhi with all the assets and liabilities on terms mutually agreed upon. The said firm shall cease to exist after such takeover by the Company on incorporation.*
- 2 *To carry on business of manufacturers, makers, producers, processors, distributors, stockists, suppliers, buyers, sellers, fitters, re-fitters, fabricators, designers, printers, bleachers, dyers, twistors, reelers, spinners, weavers, checkers, packers, marketers, importers, exporters, wholesale dealers in men's, women's, children's clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, trousers, jeans, pyjama suits, vests, underwears, under garments, socks, stockings, sweaters, blankets, shawls, laces, suits, pants, workman cloths, uniforms, foundation garments for ladies dresses, brassiers, maternity belts, knee caps, coats, panties, nighties, ready-made garments, made to wear garments, knitwear, hosiery, neckties, caps, headgear, head cap, head dress, shorts, elastic cloth, collars, buttons, zip fastners, lining material, thread, fabric, articles of wool, articles of textile, garment accessories, clothing accessories and all associated works including cutting, stitching, sewing, washing, cleaning, drying, pressing, labeling, branding and job working.*
- 3 *To carry on business of manufacturers, makers, producers, distributors, stockists, suppliers, buyers, sellers, designers, printers, checkers, packers, marketers, importers, exporters, wholesale dealers of footwear, shoes, sandals, chappals, soles, laces, footwear accessories, leather accessories, canvas accessories, belt accessories, leather belts, leather bags, leather garments, traveling bags, canvas bags, leather and imitation of leather, articles of leather materials, umbrellas, hides, parasols, walking sticks, whips, harness, saddlery, perfume, deodorants, freshners, watches, eyewears, eyewear accessories, spectacles, lenses, toiletaries and all associated works including branding, labeling and job working.*
- 4 *To carry on all or any of the business of dealers and manufacturers of all kinds of carpets, durries, mats, rugs, namdas, blankets, shawls, tweeds, linens, flannels and all other articles of woolens and worsted materials.*
- 5 *To carry on the business as manufacturers, ginners, carders, combers, spinners, weavers, doublers of rayon yarn and rayon goods and any other type of yarn manufacturers, flex, hemp and jute spinners, manufacturers of hosiery, linen sewing threads and other threads bleachers, printers and finishers of all kinds of cotton waste yarn, cotton, woolen silk, linen, art silk or any other type of yarns and mixed textiles and articles ( including gold silver and other metal threads and any other textile fibre) embroidered or unembroidered manufacturers of clothing and wearing apparel.*
- 6 *To carry on the business of buying, selling, weaving, spinning, dyeing, printing, processing and manufacturing of textiles of all kinds namely cotton, silk, art silk, rayon, nylon, wool and other fibrous material and to buy, sell, export, import, exchange and otherwise deal in cloth cotton, woolen, silk, rayon, nylon and other fibres.*

The main objects of our Company enable us to carry on the current business as well as the business proposed to be carried out and the activities proposed to be undertaken pursuant to the Objects of the Issue. For further details please refer to the chapter titled “*Objects of the Issue*” on page 81 of the Draft Red Herring Prospectus.

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

Details regarding the description of our Company's activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, distributors and customers, segment, capacity/facility creation, location of manufacturing facilities, marketing and competition, please refer to the chapters titled “*Our Business*”, “*Our Management*” and “*Industry Overview*” on pages 128, 158 and 113 respectively, of this Draft Red Herring Prospectus.

### **Injunction or Restraining Order**

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

## **Our Shareholders**

As on the date of this Draft Red Herring Prospectus, there are nine (9) shareholders in our Company. For further details of our shareholding pattern, please refer to the chapter titled “*Capital Structure*” on page 68 of this Draft Red Herring Prospectus.

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

Other than as disclosed under the chapter titled “*Capital Structure*” and “*Financial Indebtedness*” on pages 68 and 323 respectively, of this Draft Red Herring Prospectus, our Company has not raised any capital in the form of equity.

Other than as disclosed in the chapter titled “*Financial Indebtedness*” on page 323 of the draft Red Herring Prospectus, our Company has not raised any public offering in the form of debt instrument since its inception.

## **Revaluation of assets**

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

## **Time and Cost Overrun**

Our Company has not experienced any significant time and cost overrun in relation to the setting up of our manufacturing facilities and warehouses.

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

We have not changed the activity of our Company since its incorporation.

## **Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks**

There are no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company.

## **Lock-out or Strikes**

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

## **Holding Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

## **Shareholders and Other Agreements**

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

- 1. Agreement dated March 31, 2007 (“Agreement”) entered into by and between Narinder Singh Dhingra, Proprietor, Hi- Fashion Clothing Company (“HFCC”) and our Company for taking over the business of Hi – Fashion Clothing Company.***

Pursuant to the said Agreement, our Company took over the business of Hi- Fashion Clothing Company as a going concern along with all its assets, liabilities, employees, licenses including the trademarks and legal proceedings filed by or against HFCC, with effect from April 01, 2007. In consideration for the takeover of the business, Narinder Singh Dhingra was allotted 67,41,804 Equity Shares of our Company. The said Equity Shares were of equivalent value to the capital account standing to his credit as on March 31, 2007. Post this takeover, the proprietorship concern was dissolved.

- 2. Deed of Assignment dated March 12, 2008 (“Deed of Assignment”) entered into by and between Narinder Singh Dhingra (the “Assignor”) and our Company.***

Pursuant to the Deed of Assignment, the Assignor has sold, assigned and transferred 13 trademarks to our Company. The Assignor has, in his capacity as the owner and/ or beneficial owner, irrevocably sold, assigned, transferred, conveyed, and delivered all rights, benefit, title, interest, including common law rights vested in the said 13 trademarks, along with the goodwill of the business in the goods and services without any limitation or restriction whatsoever unto our Company.

absolutely forever for a consideration of a sum of ₹ 100 (rupees one hundred only)

**3. Share Subscription and Shareholders' Agreements between the our Company, our Promoters, Iqbal Singh Dhingra and Manjit Kaur Dingra (members of our Promoter Group) and AA Development Capital India Fund I, LLC (the "Investor")**

The Investor had invested in our Company in March 2008. In order to regulate the relationship and the respective rights and obligations as shareholders, our Company, Promoters and the Investor have entered into a shareholders agreement dated March 12, 2008 and subsequent amendments thereto between our Company, Promoters, Iqbal Singh Dhingra, Manjit Kaur Dhingra (members of our Promoter Group) and the Investor dated June 30, 2009, June 30, 2010, March 31, 2011 and February 13, 2015 (the "SHA"). The SHA provides certain rights to the Investor which include the right to appoint nominee directors on our Company and its subsidiaries as long as the Investor hold five percent of shareholding of our Company on a fully diluted basis, right of first refusal with respect to the issuance of any instrument convertible into Equity Shares, prior consent the Investor for issuing new securities on terms more favourable as those compared to the Investor, ratchet right, tag along right if the Promoter Group transfers any shares held by them in our Company and affirmative voting rights in relation to certain matters.

Pursuant to the amendment to the SHA dated February 13, 2015, the parties to the SHA have agreed that the SHA will terminate on listing of our Company pursuant to the Issue. Further, the Articles of Association shall be divided into Part I and II. Part II of these articles shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares. Further, if the IPO is not completed prior to March 31, 2016 or any extended period as may be mutually agreed by the Parties; or (ii) the Board proposes not to proceed with the Issue or withdraws the DRHP filed with SEBI, then (a) the SHA shall continue and the amendment dated February 13, 2015 shall stand terminated; and (b) the Promoters and our Company shall ensure that Part II of the Articles shall continue with full force and effect. However, subsequent to such termination, so long as the Investor holds at least 5 percent of the equity share capital of our Company on a fully diluted basis, then Investor shall have the right to nominate one director on the Board of Directors of our Company and its subsidiaries.

**4. Business Transfer Agreement dated March 31, 2011 entered into by and between our Company and Numero Uno Brands Limited ("NUBL Business Transfer Agreement") for transfer of a part of our business**

Pursuant to the NUBL Business Transfer Agreement, our Company transferred a of part its business as a going concern to NUBL *inter alia* along with assets, liabilities and certain employees and NUBL agreed to acquire the business of our Company together with all other benefits, advantages and other rights attaching thereto. In consideration for the said transfer of part business, our Company was issued 70,00,000 equity shares of face value of ₹ 10 each of NUBL.

**Our Subsidiary**

Numero Uno Brands Limited is our wholly owned Subsidiary, details of which are provided below:

**Numero Uno Brands Limited**

**Corporate Information**

Numero Uno Brands Limited ("NUBL") was incorporated as a public limited company on March 24, 2011 *vide* a Certificate of Incorporation issued by Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana. NUBL received its Certificate for Commencement of Business pursuant to Section 149 of our Companies Act, 1956 on March 29, 2011. The registered office of NUBL is located at 568/1, PMW Complex, Railway Road, Gurgaon – 122 001, Haryana, India.

The main objects of NUBL include, *inter alia*, to carry on business of manufacturers, makers, producers, processors, distributors, stockists, suppliers, buyers, sellers, fitters, re-fitters, fabricators, designers, printers, bleachers, dyers, twisters, reelers, spinners, weavers, checkers, packers, marketers, importers, exporters, wholesale dealers in men's, women's, children's clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, trousers, jeans, pyjama suits, vests, underwears, under garments, socks, stockings, sweaters, blankets, shawls, laces, suits, pants, workman cloths, uniforms, foundation garments for ladies dresses, brassiers, maternity belts, knee caps, coats, panties, nighties, ready-made garments, made to wear garments, knitwear, hosiery, neckties, caps, headgear, head cap, head dress, shorts, elastic cloth, collars, buttons, zip fasteners, lining material, thread, fabric, articles of wool, articles of textile, garment accessories, clothing accessories and all associated works including cutting, stitching, sewing, washing, cleaning, drying, pressing, labeling, branding and job working.

Presently NUBL is engaged in the business, *inter alia*, of trading in men and women apparels.

### **Capital Structure:**

The authorized share capital of NUBL is ₹ 750 lacs divided into 75,00,000 equity shares of ₹10 each. The issued, subscribed and paid- up share capital of NUBL is ₹ 705 lacs divided into 70,50,000 equity shares of ₹ 10 each. The shareholding pattern of NUBL as on the date of this Draft Red Herring Prospectus is as follows:

<b>Name of Shareholder</b>	<b>Number of Shares held</b>	<b>% of holding</b>
Número Uno Clothing Company Limited	70,49,940	99.99
Narinder Singh Dhingra	10	Negligible
Rohini Singh Dhingra	10	Negligible
Iqbal Singh	10	Negligible
Manjyot Singh Rana	10	Negligible
Geetu Rana	10	Negligible
Manjit Kaur	10	Negligible
<b>Total</b>	<b>70,50,000</b>	<b>100.00</b>

### **Financial Performance of NUBL**

Certain details of the audited financials of NUBL for Fiscals 2015, 2014 and 2013 are set forth below:

	<i>(₹ in lacs, except per share data)</i>		
	<b>Fiscal 2015</b>	<b>Fiscal 2014</b>	<b>Fiscal 2013</b>
Share capital(face value of ₹ 10 per share)	705.00	705.00	705.00
Reserves and surplus	(330.82)	(319.46)	(441.02)
Total Revenue	282.06	628.01	193.99
Profit/(Loss) after tax	(11.36)	121.55	(286.96)
Earnings per share (Basic and diluted)( ₹)	(0.16)	1.72	(4.07)
Net asset value per share(₹)	5.31	5.47	3.74

### **Interest of the Subsidiary in our Company**

NUBL does not have any interest in our Company's business other than as stated in the chapters "Business" and "Financial Statements", on pages 128 and 180, respectively of this Draft Red Herring Prospectus.

### **Amount of accumulated profit/ (losses) not accounted for by our Company**

There are no profits or losses of Subsidiary not accounted for by our Company.

### **Strategic and Financial Partners**

As on date of this Draft Red Herring Prospectus our Company does not have any strategic and financial partners.

### **Public Issue and Rights Issue**

Our Subsidiary has not made any public or right issue in the last three years and has not become a sick company as specified under SICA and is not under winding up proceedings.

## OUR MANAGEMENT

Our Articles of Association require us to have not less than 3 and not more than 15 Directors. We presently have 5 Directors on our Board, which includes 2 executive Directors, 3 non-executive Independent Directors. Our Board includes 1 women Director as on the date of this Draft Red Herring Prospectus.

### Our Board of Directors

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

Name, Designation, Residential Address, Occupation, DIN, Term and Nationality	Age(years)	Other Directorship
<p><b>Narinder Singh Dhingra</b></p> <p><b>Designation:</b> Chairman and Managing Director</p> <p><b>Address:</b> 7, Hemkunt Colony, G.K. -1, Chirag Enclave, New Delhi – 110048, India</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00025305</p> <p><b>Term:</b> For a term of three years with effect from April 4, 2015 to April 3, 2018</p> <p><b>Nationality:</b> Indian</p>	53	<p><i>Indian public limited companies</i></p> <ol style="list-style-type: none"> <li>1. Numero Uno Brands Limited;</li> <li>2. IFCA Bottling Company Limited.</li> </ol>
<p><b>Rohini Singh Dhingra</b></p> <p><b>Designation:</b> Whole time Director</p> <p><b>Address:</b> 7, Hemkunt Colony, G.K. -1, Chirag Enclave, New Delhi – 110048, India</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00025401</p> <p><b>Term:</b> For a term of three years with effect from April 4, 2015 to April 3, 2018</p> <p><b>Nationality:</b> Indian</p>	53	<p><i>Indian public limited companies</i></p> <ol style="list-style-type: none"> <li>1. Numero Uno Brands Limited.</li> </ol>
<p><b>Arun Kumar Jain</b></p> <p><b>Address:</b> D-1083, New Friends Colony, New Delhi, 110065, Delhi, India</p> <p><b>Designation:</b> Non- Executive and Independent Director</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00756919</p> <p><b>Term:</b> For four consecutive years from September 26, 2014 up to the annual general meeting to be held for Fiscal 2018 or September 30, 2018 whichever is earlier.</p>	64	<p><i>Indian private limited companies</i></p> <ol style="list-style-type: none"> <li>1. Abaskar Construction Private Limited;</li> <li>2. Jainsons Automobiles Private Limited;</li> <li>3. Golden Sun Energy Private Limited;</li> <li>4. Golden Infra Developers Private Limited;</li> <li>5. Azure Gems Worldwide Private Limited.</li> </ol>

<b>Name, Designation, Residential Address, Occupation, DIN, Term and Nationality</b>	<b>Age(years)</b>	<b>Other Directorship</b>
<b>Nationality:</b> Indian		
<b>Hasmeeth Singh Uppal</b>	48	<i>Indian private limited companies</i>
<b>Address:</b> C-4/8, DLF Qutub Enclave Phase 1, Gurgaon, Haryana-122015, India		1. Unger India Private Limited; 2. Harimann International Private Limited
<b>Designation:</b> Non- Executive and Independent Director		
<b>Occupation:</b> Professional		
<b>DIN:</b> 01524487		
<b>Term:</b> For five consecutive years from February 13, 2015 up to the annual general meeting to be held for Fiscal 2019		
<b>Nationality:</b> Indian		
<b>Sanjeev Kapur</b>	53	NIL
<b>Address:</b> GP-1/5A, Gurgaon One Apartments, Sector 22, Gurgaon, Haryana – 122015, India		
<b>Designation:</b> Non- Executive and Independent Director		
<b>Occupation:</b> Professional		
<b>DIN:</b> 00348318		
<b>Term:</b> For five consecutive years from February 13, 2015 up to the annual general meeting to be held for Fiscal 2019		
<b>Nationality:</b> Indian		

### **Relationship between our Directors**

Other than Rohini Singh Dhingra being the wife of Narinder Singh Dhingra, none of our other Directors are related to each other.

### ***Brief Biographies of our Directors***

**Narinder Singh Dhingra**, aged 53 years, is the Promoter and the Chairman and Managing Director of our Company. He holds a bachelor's degree in Business Administration from Canterbury University, United Kingdom. He has an experience of over 30 years in the branded apparel industry. As the Chairman and Managing Director of our Company, he has been instrumental in formulating and implementing strategies and policies of our Company. The Council for National Development has awarded him with the 'Gem of India Award', presented during the national convention on challenges before the nation, and the 'Hind Ratna Award', presented during the national convention on 'India a Super Power or Sleeping Giant'. He has been on the Board since the inception of our Company.

**Rohini Singh Dhingra**, aged 53 years, is the Promoter and the Whole Time Director of our Company. She holds a diploma in Textile Design from the Board of Technical Education, Delhi. She has an experience of over 30 years in the branded apparel industry. She has been on the Board since the inception of our Company. She is actively involved in the business of our Company and gives inputs and ideas for product development, sampling and designing, internal range presentations and final trade show presentations.

**Arun Kumar Jain**, aged 64 years, is a Non-Executive and Independent Director of our Company. He holds a bachelor's degree from University of Delhi. He has over 30 years of experience in retail and exports of apparels. He joined our Board on December 17, 2007 and was again appointed as an Independent Director on our Board with effect from September 26, 2014. He is also the Managing Director of Abaskar Construction Private Limited.

**Hasmeeth Singh Uppal**, aged 48 years, is a Non-Executive and Independent Director of our Company. He holds a bachelor's degree in Arts from University of Delhi and master's degree in Business Administration from the University of Virginia. He has over 15 years of experience in the apparel industry. He was appointed on our Board as an Independent Director with effect from February 13, 2015. He is also the Managing Director of Unger India Private Limited and Harimann International Private Limited.

**Sanjeev Kapur**, aged 53 years, is a Non-Executive and Independent Director of our Company. He holds a bachelor's degree in Commerce from University of Delhi and is also a Fellow member of the Institute of Chartered Accountants of India. He has over 25 years of experience in the corporate sector. He was appointed on our Board as an Independent Director with effect from February 13, 2015.

#### **Further Confirmations**

None of our Directors is or was a director of any listed companies during the five years immediately preceding the date of filing of this Draft Red Herring Prospectus and until date, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such companies.

None of our Directors is or was a director on any listed companies which have been or were delisted from any stock exchange during the term of their directorship in such companies.

#### **Details of service contracts of our Directors**

Our Company has not entered into any service contract with any Director providing for benefits upon termination of directorship.

#### **Terms of appointment and remuneration of our whole-time Directors**

Pursuant to a Board resolution dated December 16, 2014 and Shareholders resolution dated February 13, 2015, Narinder Singh Dhingra was re-appointed as the Chairman and Managing Director and Rohini Singh Dhingra was re-appointed as the whole-time Director of our Company for a period of 3 years with effect from April 4, 2015 to April 3, 2018 and both are entitled to a remuneration (excluding gratuity and compensated absences) of ₹ 84.00 lacs each per annum.

#### **Sitting Fees**

As per the resolution of our Board dated July 31, 2014, the sitting fee payable to our non-executive Directors for attending each meeting of our Board is ₹ 20,000 and for attending each meeting of the committees of our Board is ₹ 10,000.

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

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum or sums of money for the purposes of our Company. Pursuant to a resolution passed at our annual general meeting dated September 26, 2014, our shareholders have authorized our Board to borrow from time to time such sums of money as may be required, provided that such amount shall not exceed ₹ 50 crores over and above the aggregate of the paid-up capital and free reserves (i.e. paid up capital and free reserves plus ₹ 50 crores) of our Company.

#### **Payment or benefit to Directors of our Company**

The sitting fees/other remuneration paid to our Directors in Fiscal 2015 are as follows:

##### **1. Remuneration to Executive Directors:**

The remuneration paid to the Executive Directors in the Fiscal 2015 is as follows:

		<i>(₹ in lacs)</i>
Sr. no.	Name of Director	Remuneration*
1	Narinder Singh Dhingra	84.00
2	Rohini Singh Dhingra	67.81

\* Remuneration paid does not include expenses in respect of gratuity and compensated absences as the same is



determined on an actuarial basis for our Company as a whole.

## 2. Remuneration to Non-executive Directors:

				(₹ in lacs)
Sr. no.	Name of Director	Sitting Fees	Commission	Total
1	Arun Kumar Jain	1.24	NIL	1.24
2	Hasmeeth Singh Uppal	0.40	NIL	0.40
3	Sanjeev Kapur	NIL	NIL	NIL
4	Manjit Kaur*	0.14	NIL	0.14

\* Resigned from the Board with effect from September 26, 2014

Except as stated in this section and the chapter titled “Financial Statements- Annexure XXXII - Statement of Related Parties and Related Party Transactions” on page 296 of this Draft Red Herring Prospectus, no amount or benefit has been paid within the preceding two years or is intended to be paid or given to any of our Company’s officers including our Directors and key management personnel. Except as disclosed in the section titled “Financial Statements” on page 180 of this Draft Red Herring Prospectus, none of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of our Company. Further, except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and our key management personnel, is entitled to any benefits upon termination of employment. No remuneration has been paid, or is payable, to the Directors of our Company by our Subsidiary.

## Corporate Governance

The provisions of the Listing Agreements to be entered into with the Stock Exchanges and the Companies Act with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock Exchanges.

We are in compliance with the requirements of the applicable regulations, including the Listing Agreements with the Stock Exchanges, Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the Board Committees, as required under law. Our Board functions either directly, or through various committees constituted to oversee specific operational areas. Our Board is constituted in compliance with the provisions of the Companies Act, 2013 and the Listing Agreements and our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the Listing Agreement and the Companies Act.

As on date of this Draft Red Herring Prospectus, our Board has 5 Directors, comprising two executive Directors (including one women Director) and 3 non – executive and Independent Directors.

## Committees of our Board

Our Board has constituted following 8 committees in accordance with the requirements of the Companies Act and Listing Agreements to be executed with the Stock Exchanges:

- a) Audit Committee;
- b) Stakeholders’ Relationship Committee;
- c) Nomination and Remuneration Committee;
- d) Operations Committee;
- e) Corporate Social Responsibility Committee;
- f) Compensation Committee;
- g) Risk Management Committee; and
- h) IPO Committee

Details of each of these committees are as follows:

### a. Audit Committee

Our Audit Committee was constituted pursuant to resolution of our Board dated December 17, 2007. Pursuant to a resolution dated February 13, 2015 passed by the Directors of our Company, the Audit Committee was reconstituted. The Audit Committee comprises of the following:

Sr. No	Name of Member	Designation	Nature of Directorship
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Sr. No	Name of Member	Designation	Nature of Directorship
1.	Arun Kumar Jain	Chairman	Non – Executive and Independent Director
2.	Narinder Singh Dhingra	Member	Chairman and Managing Director
3.	Hasmeet Singh Uppal	Member	Non – Executive and Independent Director

Below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreements.

#### A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

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

#### B. Role of Audit Committee

The role of the Audit Committee shall include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. 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;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the 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;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties; *Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 49(VII) of the Listing Agreements.*
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the whistle blower mechanism/vigil mechanism;
- Approval of appointment of CFO (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

As required under the Equity Listing Agreements, the Audit Committee shall meet at least four times in a year, and not more than four months shall elapse between two meetings. The quorum shall be two members present, or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present. Our Company Secretary is the secretary to the Audit Committee of the Board in terms of provisions of Clause 49(III) of the Listing Agreement.

#### ***b. Stakeholders' Relationship Committee***

Our Stakeholders' Relationship Committee was constituted pursuant to resolution of our Board dated February 13, 2015. The Stakeholders' Relationship Committee comprises of the following:

<b>Sr. No</b>	<b>Name of Member</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1.	Arun Kumar Jain	Chairman	Non – Executive and Independent Director
2.	Narinder Singh Dhingra	Member	Chairman and Managing Director
3.	Rohini Singh Dhingra	Member	Whole Time Director

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 (5) of the Companies Act, 2013. The terms of reference, powers and scope of the Stakeholders' Relationship Committee of our Company include:

- To look into the redressal of grievances of shareholders, debenture holders and other security holders
- To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.
- The quorum of the meeting shall be two directors present and the committee shall meet as and when required to perform its functions.

The quorum of the meeting shall be two directors present and the committee shall meet as and when required to perform its functions.

#### ***c. Nomination and Remuneration Committee***

Our Nomination and Remuneration Committee was constituted pursuant to resolution of our Board dated July 03, 2010. Pursuant to a resolution dated February 13, 2015 passed by the Directors of our Company, the Nomination and Remuneration Committee was reconstituted. The Nomination and Remuneration Committee comprises of the following:

<b>Sr. No</b>	<b>Name of Member</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1.	Arun Kumar Jain	Chairman	Non – Executive and Independent Director
2.	Hasmeet Singh Uppal	Member	Non – Executive and Independent Director
3.	Sanjeev Kapur	Member	Non – Executive and Independent Director

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013. Set forth below are the terms of reference, powers and role of our Nomination and Remuneration Committee:

- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- The Nomination and Remuneration Committee shall, while formulating the policy shall ensure that—
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;

The quorum of the meeting shall be two directors present and the committee shall meet as and when required to perform its functions.

#### *d. Operations Committee*

Operations Committee was constituted pursuant to resolution of our Board dated June 11, 2008. Our Operations Committee comprises of the following:

<b>Sr. No</b>	<b>Name of Member</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1.	Narinder Singh Dhingra	Member	Chairman and Managing Director
2.	Rohini Singh Dhingra	Member	Whole Time Director

Set forth below are the terms of reference, powers and scope of our Operation Committee to:

- To authorize an employee/other person to act as authorized representative of company.
- To open any banking or other account and prescribe modalities of their operations.
- To borrow sum or sums of money from time to time at their discretion, for the purpose of the business of the company within the borrowing powers of the company (i.e. upto 'Paid up capital & free reserves plus fifty crores') specified by Special Resolution passed in the Annual General Meeting of the company held on September 29, 2014.
- To attend to statutory/Government notices, show cause notices, legal notices, demand notices, default notices, prosecution notices, litigation matters, operational/routine matters and matters of emergent nature which require immediate attention/action.

The quorum of our Operations Committee shall be two members present.

#### *e. Corporate Social Responsibility Committee*

Our Corporate Social Responsibility Committee was constituted pursuant to resolution of our Board dated March 07, 2014. Pursuant to a resolution dated February 13, 2015 passed by the Directors of our Company, the Corporate Social Responsibility Committee was reconstituted. The Corporate Social Responsibility Committee comprises of the following:

<b>Sr. No</b>	<b>Name of Member</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1.	Arun Kumar Jain	Chairman	Non – Executive and Independent Director
2.	Narinder Singh Dhingra	Member	Chairman and Managing Director
3.	Rohini Singh Dhingra	Member	Whole Time Director

The terms of reference, powers and scope of the Corporate Social Responsibility Committee of our Company include the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII as amended from time to time.

- To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) subject to the limit provided under Section 135 of the Companies Act.
- To monitor the corporate Social Responsibility Policy of our Company from time to time.
- The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

The quorum of the meeting shall be two directors present and the committee shall meet as and when required to perform its functions.

**f. Compensation Committee**

Our Compensation Committee was constituted pursuant to resolution of our Board dated February 13, 2015 passed by the Directors of our Company. The Compensation Committee comprises of the following:

Sr. No	Name of Member	Designation	Nature of Directorship
1.	Arun Kumar Jain	Chairman	Non – Executive and Independent Director
2.	Hasmeet Singh Uppal	Member	Non – Executive and Independent Director
3.	Sanjeev Kapur	Member	Non – Executive and Independent Director

The terms of reference, powers and role of the Compensation Committee of our Company include the following:

- The compensation committee shall, *inter alia*, formulate the detailed terms and conditions of the schemes which shall include the provisions as specified by Board in this regard. The compensation committee shall propose multiple options recommending one.
- The compensation committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the trust, the company and its employees, as applicable.
- The Compensation Committee shall delegate the administration of the scheme to the NUCL Employees Welfare Trust.

The quorum of the meeting shall be two directors present and the committee shall meet as and when required to perform its functions.

**g. Risk Management Committee**

Our Risk Management Committee was constituted pursuant to resolution of our Board dated February 13, 2015 passed by the Directors of our Company. The Risk Management Committee comprises of the following:

Sr. No	Name of Member	Designation	Nature of Directorship
1.	Narinder Singh Dhingra	Member	Chairman and Managing Director
2.	Rohini Singh Dhingra	Member	Whole Time Director

The terms of reference, powers and role of the Risk Management Committee of our Company include the following:

- To recommend risk management plan to the Board for implementation.
- To monitor and review the risk management plan.
- To lay down procedures to inform Board members about the risk assessment and minimization procedures.
- To develop and implement the risk management policy for the company, identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.
- To perform such other functions which are appropriate and necessary to manage the risk.

The quorum of the meeting shall be two directors present and the committee shall meet as and when required to perform its functions.

**h. IPO Committee**

The IPO Committee was constituted pursuant to resolution of our Board dated February 13, 2015 passed by the Directors of our Company. The IPO Committee comprises of the following:

Sr. No	Name of Member	Designation	Nature of Directorship
1.	Narinder Singh Dhingra	Member	Chairman and Managing Director
2.	Rohini Singh Dhingra	Member	Whole Time Director
3.	Raghav Kapoor	Invitee*	Not Applicable

*\*Mandatory attendee on behalf of AA Development Capital India Fund 1, LLC pursuant to the resolution passed by the Board of Directors dated February 13, 2015*

The terms of reference, powers and role of the IPO Committee include the following:

- to issue, offer and allot the Equity Shares, and to do other matters in connection with or incidental to the IPO including the Offer for Sale, including determining the anchor investor (“Anchor Investor”) portion and allocate such number of Equity Shares to Anchor Investors in accordance with the SEBI ICDR Regulations and to constitute such other committees of the Board, as may be required under the applicable laws, including the listing agreement to be entered into by the Company with the Stock Exchanges;
- authorisation to any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorized person in his/her/its absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment of the Equity Shares;
- giving or authorising any concerned person to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- appointing the BRLMs in accordance with the provisions of the SEBI ICDR Regulations and other applicable statutory and/or regulatory requirements;
- seeking, if required, any approval, consent or waiver from the Company’s lenders, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the Equity Shares;
- deciding the pricing and terms of the Equity Shares, and all other related matters, including the determination of the minimum subscription for the Issue, in accordance with applicable laws;
- deciding the pricing, the terms of the issue of the Equity Shares, and all other related matters regarding the Pre-IPO Placement, including the execution of the relevant documents with the investors;
- taking on record the approval of the offer for sale by the selling shareholders;
- approval of the draft red herring prospectus (“DRHP”), the red herring prospectus (“RHP”) and the prospectus (“Prospectus”) (including amending, varying or modifying the same, as may be considered desirable or expedient) in relation to the IPO including the Offer for Sale as finalized in consultation with the BRLMs, in accordance with all applicable laws, rules, regulations and guidelines;
- seeking the listing of the Equity Shares on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- appointing, in consultation with the BRLMs, the registrar and other intermediaries to the Issue, in accordance with the provisions of the SEBI ICDR Regulations and/or other statutory and/or regulatory requirements;
- finalisation of and arrangement for the submission of the DRHP to be submitted to the SEBI and the Stock Exchange(s) for receiving comments, the RHP and the Prospectus to be filed with the Registrar of Companies, and any corrigendum, amendments supplements thereto;
- authorisation of the maintenance of a register of holders of the Equity Shares;
- finalisation of the basis of allotment of the Equity Shares;
- acceptance and appropriation of the proceeds of the IPO; and
- to do any other act and/or deed, to negotiate and execute any document(s), application(s), agreement(s), undertaking(s), deed(s), affidavits, declarations and certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the IPO.”
- To decide on the actual size (including any reservation for employees, employees or shareholders of promoting companies/ group companies and/or any other reservations or firm allotments as may be permitted), timing, pricing, reservation and discounts, if any, and all the terms and conditions of the issue of the Equity Shares for the IPO, including the price, and to accept any amendments, modifications, variations or alterations thereto;
- To invite the existing shareholders of the Company to participate in the IPO to offer for sale Equity Shares held by them at the same price as in the IPO;
- To appoint and enter into arrangements with the BRLMs, underwriters to the IPO, syndicate members to the IPO, brokers to the IPO, advisors to the IPO, escrow collection bankers to the IPO, registrars, refunds banks to the IPO,

public issue accounts banks to the IPO, legal counsel and any other agencies or persons or intermediaries to the IPO and to negotiate and finalise the terms of their appointment, including but not limited to execution of the BRLMs' mandate letter, negotiation, finalisation and execution of the issue agreement with the BRLMs and the registrar's memorandum of understanding;

- To finalise, settle, execute and deliver or arrange the delivery of the syndicate agreement, underwriting agreement, escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever with the registrar to the IPO, legal advisors, auditors, stock exchanges, BRLMs and any other agencies/intermediaries in connection with the IPO with the power to authorise one or more officers of the Company to execute all or any of the afore stated documents;
- To finalise, settle, approve and adopt the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, and the preliminary and final international wrap for the IPO and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI or any other relevant governmental and statutory authorities;
- To make applications, if necessary, to the Foreign Investment Promotion Board, the Reserve Bank of India or to any other statutory or governmental authorities in connection with the IPO and, wherever necessary, incorporate such modifications/ amendments/ alterations/ corrections as may be required in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus;
- To open and operate bank account(s) of the Company in terms of the escrow agreement for handling of refunds for the IPO and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- To approve code of conduct as may be considered necessary by the IPO Committee or as required under applicable laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;
- To approve a suitable policy on insider trading as required under applicable laws, regulations and guidelines;
- To seek, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, and any other consents that may be required in connection with the IPO, if any;
- Approving any corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under applicable laws, regulations or guidelines in connection with the IPO;
- To open and operate a bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013 and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- To determine and finalise the floor price/price band for the IPO, approve the basis for allocation and confirm allocation of the Equity Shares to various categories of persons as disclosed in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, in consultation with the BRLMs and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to, the IPO;
- To issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more Indian stock exchange(s), with power to authorise one or more officers of the company to sign all or any of the afore stated documents;
- To make applications for listing of the shares in one or more Indian stock exchange(s) for listing of the Equity Shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);
- To do all such deeds and acts as may be required to dematerialize the Equity Shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the afore stated documents;
- To authorize and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the IPO;
- To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, determine the anchor investor portion and allocation to anchor investors, finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;
- To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit;

- To take such action, give such directions, as may be necessary or desirable as regards the IPO and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the IPO, as are in the best interests of the Company;
- To execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the IPO and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing; and
- To delegate any power (s) specified herein to any Director/ KMP/Officer of the company for any specific purpose.

#### **Arrangement or understanding with major Shareholders, customers, suppliers or others**

None of our other Directors or Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

#### **Shareholding of Directors in our Company**

As per the Articles of Association of our Company, a Director of our Company shall not be required to hold qualification shares. As on date of filing of this Draft Red Herring Prospectus, except as stated below, none of our other Directors hold any Equity Shares of our Company:

<b>Name of the Director</b>	<b>Number of Equity Shares (pre- Issue)</b>	<b>Percentage (in %)</b>
Narinder Singh Dhingra	3,38,34,020	72.40
Rohini Singh Dhingra	1,20,000	0.26
<b>Total</b>	<b>3,39,54,020</b>	<b>72.66</b>

#### **Interest of our Directors**

Our executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our see “-Terms of appointment and remuneration of our whole-time Directors” above.

Further, our non- Executive Directors are entitled to receive sitting fees for attending each meeting of our Board and Committee, details of which have been provided under the heading “Sitting Fees” on page 160 of this Draft Red Herring Prospectus.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading “Shareholding of Directors in our Company. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer.

Further, our Directors (except those forming part of our Promoter Group) may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, out of the present Offer. Such Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in the chapter titled “Financial Statements- Annexure XXXII - Statement of Related Parties and Related Party Transactions” on page 296 of this Draft Red Herring Prospectus, our Directors do not have any other interest in the business of our Company.

#### **Interest as to property**

Our Company has entered into a lease deed with our Group Entity, PMW Estates LLP, dated February 2, 2015 for use of the premises on which our Registered Office and Gurgaon facility are located. For details of the said agreement, please refer to the paragraph titled “Our Properties” in the chapter titled “Our Business” on page 140 of this Draft Red Herring Prospectus.

Except as disclosed above, our Directors confirm that they have no interest in any property acquired by our Company



during the last two years from the date of filing of this Draft Red Herring Prospectus or any property proposed to be purchased by our Company.

### Bonus or Profit Sharing Plan for our Directors

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

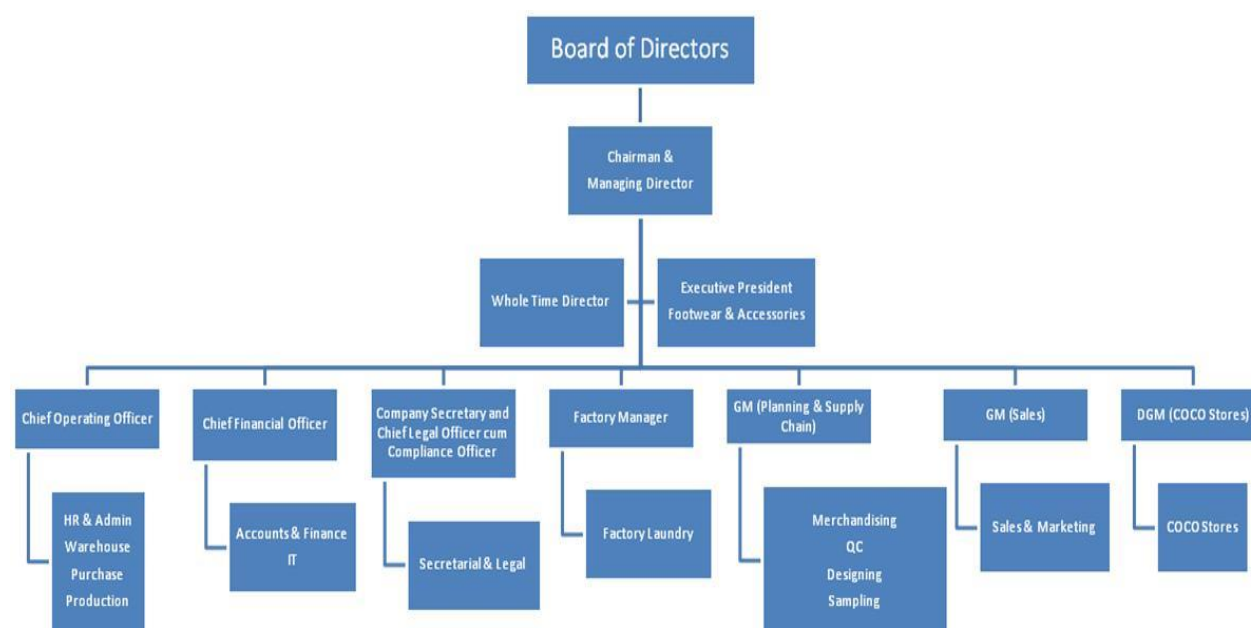
### Changes in our Board during the Last Three Years

The changes in our Board during the last three years are as follows:

Name of Director	Date of appointment	Date of cessation	Reason
Hasmeeth Singh Uppal	February 13, 2015	-	Appointment
Sanjeev Kapur	February 13, 2015	-	Appointment
Manjit Kaur	December 14, 2007	September 26, 2014	Retirement
Raghav Kapoor	July 30, 2013	December 24, 2014	Resignation
Raghav Kapoor	December 16, 2010	July 22, 2013	Resignation
Gautam Saigal	March 27, 2008	July 18, 2013	Resignation
Umesh Kumar Khaitan	March 27, 2008	November 16, 2012	Resignation

### Management Organization Structure

Set forth is the organization structure of our Company:



### Our Key Managerial Personnel

In addition to our Executive Directors, whose details have been provided under the paragraph “*Brief Biographies of our Directors*”, the details of our other Key Managerial Personnel, as of the date of this Draft Red Herring Prospectus, are as follows:

**Rajiv Jain**, aged 57 years, is the Chief Operating Officer of our Company. He holds a bachelor’s degree in Commerce from Rohilkhand University, Bareilly. He started his career with M/s. Hi Fashion Clothing Company and has been associated with our Company since inception. He has over 30 years of experience in the branded apparel industry. He is responsible for strategic planning and decision making and operations of our Company. The total remuneration paid to him in Fiscal 2015 was ₹ 28.68 lacs. For details of his other interests in our Company, please refer to the paragraph titled “*Interest of Key Managerial Personnel*” in this chapter.

**Rajesh Mittal**, aged 34 years, is the Chief Financial Officer of our Company. He holds a bachelor's degree in Commerce from Delhi University and bachelor's degree in law from University of Rajasthan. He is a qualified Chartered Accountant and is also a qualified Company Secretary. He holds a Post Graduate Diploma in Management (Dual) in Finance from Indian Institute of Modern Management and is also a member of The Association of Chartered Certified Accountants, United Kingdom. He is currently responsible for accounting and financial matters of our Company. He joined our Company with effect from October 24, 2013. He has over 13 years of work experience and prior to his association with our Company, he has worked as the chief financial officer with Louis Vuitton India Retail Private Limited and as manager – finance and company secretary with Inditex Trent Retail India Private Limited. The total remuneration paid to him in Fiscal 2015 was ₹ 30.05 lacs.

**Man Singh**, aged 45 years, is the Company Secretary and Chief Legal Officer cum Compliance Officer of our Company. He holds a bachelor's degree in law from University of Rajasthan and a qualified Company Secretary. He holds a master's degree of business administration in financial management and a post graduate diploma in human resource management from Indira Gandhi National Open University. He is currently responsible for the secretarial and legal functions of our Company. He has been associated with our Company since January 05, 2007. He has over 8 years of experience in the legal and secretarial functions and prior to joining our Company he was associated with Otsuka Chemical (India) Limited. He has also served in the India Air Force for 20 years prior to joining the corporate sector. The total remuneration paid to him in Fiscal 2015 was ₹ 10.31 lacs.

**Vijay Gandhi**, aged 45 years, is the General Manager – Sales (Franchisee Business) of our Company. He holds a degree in Bachelor of Arts from Delhi University. He oversees the management of our stores and relationships with various partners and also assists our Company in identification of store locations and ensuring uniformity in operations across outlets. Further, he is responsible for planning, performance, business development and day to day operations of the franchisee business. He has been associated with our Company since inception and was working M/s Hi Fashion Clothing Company. Prior to joining M/s Hi Fashion Clothing Company, he was associated with Wings Wear Limited and has over 23 years of experience in the apparel industry. The total remuneration paid to him for Fiscal 2015 was ₹ 23.98 lacs.

**Dalip Bakshi**, aged 62 years, is the Factory Manager of our Company. He holds a diploma in Textile Chemistry from Punjab State Board of Technical Education. He has been associated with our Company since inception. Prior to joining our Company, he was working with M/s Hi Fashion Clothing Company. He looks after the entire laundry division of our Company. He has over 25 years of experience in the apparel industry. The total remuneration paid to him for Fiscal 2015 was ₹ 22.33 lacs.

**Gurwinder Singh Oberoi**, aged 46 years, is the Executive President – Footwear and Accessories, of our Company. He holds a degree in Hotel Management from Hotel Management Institute, Srinagar, Jammu and Kashmir. He looks after the footwear and accessories business of our Company. He joined our Company with effect from October 01, 2011. He has over 15 years of experience in the trading business. The total remuneration paid to him in Fiscal 2015 was ₹ 108.44 lacs. For details of his other interests in our Company, please refer to the paragraph titled “*Interest of Key Managerial Personnel*” in this chapter.

**Dhiraj Bhatia**, aged 35 years is the Deputy General Manager – COCO Division of our Company. He holds a diploma in Computers from NIIT. He looks after our Company's COCO store sales as well as e-commerce initiatives. He joined our Company with effect from September 16, 2013 and prior to joining our Company he was associated with Major Brands (I) Private Limited. He has over 14 years of experience in the apparel industry. The total remuneration paid to him in Fiscal 2015 was ₹ 17.91 lacs.

**Manjula Gandhi**, aged 44 years, is the General Manager – Planning and Supply Chain of our Company. She holds a bachelor's degree of Arts from University of Delhi and also holds a Post-Graduation Diploma in Apparel Marketing and Merchandizing from National Institute of Fashion Technology. She specializes in merchandising, designing, sampling and apparel manufacturing. She started her career with M/s Hi Fashion Clothing Company and has been associated with our Company since inception. She has over 19 years of experience in designing and apparel manufacturing. The total remuneration paid to her in Fiscal 2015 was ₹ 23.85 lacs.

All the above Key Managerial Personnel are permanent employees of our Company.

#### **Relationship of Key Managerial Personnel with our Directors, Promoters and / or other Key Managerial Personnel**

Except for Manjula Gandhi, who is the wife of Vijay Gandhi, none of our other Key Managerial Personnel are related to

each other or to our Promoters or to any of our Directors.

### Shareholding of the Key Managerial Personnel

Except for Rajiv Jain who holds 500 Equity Shares of our Company, none of our other Key Managerial Personnel hold any Equity Shares of our Company.

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

Pursuant to the employment agreement dated October 1, 2014 entered into between our Company and Gurwinder Singh Oberoi, it has been agreed that his total annual cost to our Company shall be 40% of the profit before tax of our footwear and accessories business generated each year. Gurwinder Singh Oberoi also has his own partnership firm in the name of M/s. Aryan Trading Corporation, which is in the business of trading in footwear and accessories and is also one of the vendors and a franchisee of our Company. Our present footwear and accessories business was purchased from M/s. Aryan Trading Corporation in the year 2011 *vide* purchase order dated October 15, 2011 for an amount of ₹ 745.82 lacs. There is no bonus or profit sharing plan for any of our other key managerial personnel.

### Interest of Key Managerial Personnel

As stated above, Gurwinder Singh Oberoi has a business interest in our Company to the extent of his profit sharing arrangement and his partnership firm being one of the vendors of our Company. Further, Rajiv Jain also has an interest in our Company to the extent of Related Party Transactions entered into with his partnership firm namely M/s. Vardhman Creations which has been a franchisee of our Company since April 01, 2008. For details of Related Party Transactions entered into with M/s. Vardhman Creations, please refer to the paragraph titled “*Statement of Related Parties and Related Party Transactions*” in the chapter titled ‘*Financial Information*’ on page 296 of this Draft Red Herring Prospectus.

None of our other key managerial personnel have any interest in our Company other than to the extent of their shareholding in our Company, the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business.

Our key managerial personnel may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Issue. Such key managerial personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

None of our key managerial personnel has been paid any consideration of any nature, other than their remuneration and reimbursement of expenses.

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

Set forth below are the changes in our key managerial personnel in the last three years:

Name	Designation	Date of change	Reason
Lalit Huria	Chief Financial Officer	September 23, 2013	Resignation
Rajesh Mittal	Chief Financial Officer	October 24, 2013	Appointment
Badal Chaudhry	Chief Executive Officer	June 26, 2012	Termination
Gurwinder Singh Oberoi	Executive President– Footwear and Accessories	October 01, 2011	Appointment

### Employees’ Stock Option Plan

Our Company has formulated an ESOP plan, namely Numero Uno Clothing Limited Employee Stock Option Plan 2015 (“**ESOP 2015**”) pursuant to a resolution of our Board of Directors dated February 13, 2015 and resolution of the shareholders dated February 14, 2015. The objective of ESOP 2015 is *inter alia* to create a sense of ownership and participation amongst the employees, motivate the employees with incentives and reward opportunities and enable our Company to attract and retain appropriate human talent in the employment of our Company. The ESOP 2015 is in compliance with SEBI ESOP Guidelines. As on the date of the DRHP, our Company has not granted any stock options to our employees.

Our Company had formed a ESOP trust in the name of NUCL Employee Welfare Trust *vide* a trust deed dated May 2,

2008 for the purpose of holding 2,08,000 Equity Shares on behalf of our employees. Arun Kumar Jain and Hasmeeth Singh Uppal are the trustees of the NUCL Employee Welfare Trust. On February 14, 2015, our Company had issued bonus shares in the ratio of 4:1 (four new shares for every one share held). As on the date of this Draft Red Herring Prospectus, the NUCL Employee Welfare Trust holds 10,40,000 Equity Shares on behalf of our employees in our Company. For details of the shares held by the trust, please refer to the chapter titled “*Capital Structure*” on page 68 of this Draft Red Herring Prospectus.

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

Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company’s officers except remuneration of services rendered as Directors, officers or employees 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 such officer’s employment in our Company or superannuation. Contributions are made regularly by our Company towards provident fund, gratuity fund and employee state insurance.

#### **Loans taken by Directors/Key Management Personnel**

Our Company has not granted any loans to the Directors and/or Key Management Personnel as on the date of this Draft Red Herring Prospectus.

## OUR PROMOTERS AND PROMOTER GROUP

### Our Promoters

Our Promoters are Narinder Singh Dhingra and Rohini Singh Dhingra. Our Promoters currently hold 3,39,54,020 Equity Shares, constituting 72.66 % of our pre-Issue issued, subscribed and paid-up equity share capital of our Company.



**NARINDER SINGH DHINGRA,**

**Driving license number.:** DL – 0319930247422

**Voter identification number.:** DL/02/008/240670

**Address:** 7, Hemkunt Colony, G.K. -1, Chirag Enclave, New Delhi – 110048, India



**ROHINI SINGH DHINGRA,**

**Driving license number:** DL-0319900391268

**Voter identification number:** NEC0501932

**Address:** 7, Hemkunt Colony, G.K. -1, Chirag Enclave, New Delhi – 110048, India

For further details relating to Narinder Singh Dhingra and Rohini Singh Dhingra, including terms of appointment as our Director and other directorships, please refer to the chapter “*Our Management*” on page 158 of this Draft Red Herring Prospectus.

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of our Promoters have been submitted to Stock Exchanges at the time of filing this Draft Red Herring Prospectus with the Stock Exchanges.

For details pertaining to other ventures of our Promoters refer to the sub-section titled “*Our Group Entities*” on page 176 of this Draft Red Herring Prospectus.

### Interest of Promoters in the Promotion of our Company

Our Promoters are interested in the promotion of our Company and are also interested to the extent of their shareholding of Equity Shares from time to time, for which they are entitled to receive the dividend declared, if any, by our Company. Our Promoters may also be deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them under the Articles/their terms of appointment. For further details on the interests of our Promoters in our Company, please refer to the paragraph titled ‘*Our Properties*’ under the chapter titled “*Our Business*” on page 140 of this Draft Red Herring Prospectus, the chapter titled “*Capital Structure*” on page 68 of this Draft Red Herring Prospectus under the “*Annexure XXXII*” titled “*Statement of Related Parties and Related Party Transactions*” on page 296 in the chapter titled “*Financial Statements*” of this Draft Red Herring Prospectus.

Except as stated hereinabove and as stated in “*Statement of Related Parties and Related Party Transactions*”, “*Annexure XXXII*” on page 296 under chapter titled “*Financial Statements*” and heading titled “*Shareholders and Other Agreement*” on page 155 under chapter titled “*History and Other Corporate Matters*” of this Draft Red Herring Prospectus, we have 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 Promoters are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

Further, except as stated under paragraph titled “*Our Properties*” on page 140 under chapter titled “*Business Overview*” of this Draft Red Herring Prospectus, our Promoters do not have any interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus or currently proposed to be acquired by our Company.

## Common Pursuits

Our Subsidiary is engaged in the line of business which is similar to that of our Company. Further, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

## Change in Management and control of our Company

There has been no change in management and control of our Company

## Other Confirmations

None of our Promoters, Promoter Group and Group Entities have been declared as a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Further, none of our Promoters or members of our Promoter Group or any company of which they are promoters, directors or persons in control have been debarred, or restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

## Details of Companies / Firms from which our Promoters have disassociated

Our Promoters, Narinder Singh Dhingra and Rohini Singh Dhingra have not disassociated themselves from any of the companies/firms during preceding three years from the date of the Draft Red Herring Prospectus.

## Payment of benefits to our Promoters and Promoter Group during the last two years

Other than the benefits mentioned in the related party transactions as per AS-18 there has been no payment of any amount of benefits to our Promoters or the members of our Promoter Group during the last two years from the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter group as on the date of this Draft Red Herring Prospectus. For further details, please refer to the paragraph “*Details of Related Party Transactions*” on page 296 in the chapter titled “*Financial Statements*” of this Draft Red Herring Prospectus

## OUR PROMOTER GROUP

In terms of Regulation 2(1)(za) and 2(1)(zb) of the SEBI ICDR Regulations, the following persons form a part of our Promoter Group

### Our Promoter Group consists of:

#### A. Individuals related to our Promoter:

Relationship with Promoters	Narinder Singh Dhingra	Rohini Singh Dhingra
Father	Iqbal Singh Dhingra	Gurdev Singh
Mother	Manjit Kaur	Mohini Singh
Spouse	Rohini Singh Dhingra	Narinder Singh Dhingra
Brother	–	Harpreet Singh
	–	Puneet Singh
Sister	Geetu Rana	–
Son	Jaiwant Singh Dhingra	Jaiwant Singh Dhingra
Daughters	Meher Dhingra	Meher Dhingra
	Simer Dhingra	Simer Dhingra
Spouse’s Father	Gurdev Singh	Iqbal Singh Dhingra
Spouse’s Mother	Mohini Singh	Manjit Kaur
Spouse’s Sister	–	Geetu Rana
Spouse’s Brother	Harpreet Singh	–
	Puneet Singh	–

**B. In the case of Individual:**

<b>Nature of Relationship</b>	<b>Entity</b>
Any body corporate in which 10% or more of the equity share capital is held by the Promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the Promoter or any one or more of his immediate relative is a member	<ol style="list-style-type: none"><li>1. Indo Foreign Commercial Agency (Produce) Private Limited;</li><li>2. IFCA Bottling Company Limited;</li><li>3. PMW Estates LLP; and</li><li>4. WG Hospitality</li></ol>
Any body corporate in which a body corporate as mentioned above holds 10% or more, of the equity share capital	-
Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than 10%	-

## OUR GROUP ENTITIES

The companies, firms and other ventures, promoted by our Promoters, other than our Subsidiary described in the chapter titled “*History and Certain Corporate Matters*” on page 152 of this Draft Red Herring Prospectus, which form part of our Group Companies and entities, are as follows:

### 1. IFCA BOTTLING COMPANY LIMITED

#### *Corporate Information*

IFCA Bottling Company Limited (“**IBCL**”) was incorporated as public limited company under the Companies Act, 1956 vide a certificate of incorporation dated July 25, 1978 issued by the Registrar of Companies, Delhi & Haryana at Delhi. The CIN of IBCL is U99999DL1978PLC009148 and the registered office of IBCL is situated at 7, Hemkunt Colony, New Delhi – 110 019. The main object of this company is to carry on the business to manufacture, buy, sell, improve, treat, preserve, refine, collect, aerate, purify, mineralize, bottle and otherwise deal in mineral and aerated waters and fruit juices, whether pure, mixed or adulterated.

#### *Interest of our Promoters in terms of shareholding*

As on March 31, 2014, our Promoters directly hold 38.62% of the issued and paid up equity share capital of IBCL.

#### *Financial Performance*

The authorised share capital of IBCL is ₹ 1,00,00,000 divided into 1,00,000 equity shares of ₹ 100 each. The paid-up capital of IBCL is ₹ 99,00,000 divided into 99,000 equity shares of ₹ 100 each.

Certain details of the audited financials of IBCL for Fiscals 2014, 2013 and 2012 are set forth below:

	<i>(Figures in ₹ lac, except per share data)</i>		
	<b>Fiscal 2014</b>	<b>Fiscal 2013</b>	<b>Fiscal 2012</b>
Equity capital (par value ₹ 100 per share)	99.00	99.00	99.00
Reserves and surplus (excluding revaluation reserves)	175.33	167.09	148.91
Total Revenue	822.52	773.64	664.48
Profit/(Loss) after tax	8.24	18.18	20.05
Earnings per share (Basic and diluted) (₹)	8.32	18.37	20.26
Net asset value per share(₹)	277.10	268.78	250.41

### 2. PMW ESTATE LLP

#### *Corporate information*

PMW Estates LLP (“**PMW Estates**”) was incorporated as a private limited company under the Companies Act, 1956, in the name of ‘*Precision Metal Works (India) Private Limited*’ vide a certificate of incorporation dated November 28, 1971 issued by the Registrar of Companies, Delhi & Haryana at Delhi under the Companies Act, 1956. The name of PMW Estates was subsequently changed to PMW Estates Private Limited vide a fresh certificate of incorporation consequent upon change of name dated December 12, 2013 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana, at Delhi. Thereafter, the company was converted into a limited liability partnership under the Limited Liability Partnership Act, 2008 and the name of the company was subsequently changed to “PMW Estates LLP” vide certificate of registration no AAC – 5768 dated August 12, 2014 issued by National Capital Territory of Delhi and Haryana, at Delhi. The registered office of PMW Estates is situated at 7, Hemkunt Colony, New Delhi – 110048. The main object of PME Estates is to carry on the business of providing property on rent and other real estate activities.

#### *Interest of our Promoters in terms of shareholding*

As on March 31, 2015, our Promoter, Narinder Singh Dhingra, has a profit sharing ratio of 80% in PMW Estates.

#### *Financial Performance*

Before conversion, the authorised share capital of PMW Estates Private Limited was ₹ 10,00,000 divided into 5,000 equity



shares of ₹100 each and 5,000 10% non-redeemable cumulative preference shares of ₹ 100 each and the paid-up capital of PMW Estates Private Limited was ₹ 6,46,300 divided into 4,513 equity shares of ₹ 100 each and 1,950 10% redeemable cumulative preference shares of ₹100 each.

Certain details of the audited financials of PMW Estates for Fiscals 2014, 2013 and 2012 are set forth below:

*(Figures in ₹ lac, except per share data)*

	<b>Fiscal 2014</b>	<b>Fiscal 2013</b>	<b>Fiscal 2012</b>
Equity capital (par value ₹ 100 per share)	4.51	4.51	4.51
Reserves and surplus (excluding revaluation reserves)	54.49	57.21	29.98
Total Revenue	84.08	72.86	98.41
Profit/(Loss) after tax	(2.72)	27.23	(59.19)
Earnings per share (Basic and diluted) (₹)	Negative	603.28	Negative
Net asset value per share(₹)	1,307.30	1,367.64	764.36

### **3. M/s. W G Hospitality**

M/s. W G Hospitality (“**WGH**”) is a partnership firm formed under a partnership deed dated March 12, 2003 entered into by and between Harpartap Singh, Narinder Singh Dhingra, Atul Kapoor, G S Oberoi and Manjyot Singh Rana. Further *vide* Deed of Reconstitution of Partnership dated April 1, 2007, Nitesh Minocha had entered into partnership as an incoming partner of WGH. Further, *vide* Reconstitution of Partnership Deed dated April 1, 2008, Harpratap Singh had retired from the M/s. W G Hospitality and Bethika Singh had entered into the partnership as an incoming partner of WGH. The registered office of WGH is situated at Raj Bagh, Srinagar, Jammu and Kashmir – 190 008. WGH is presently engaged in the business, *inter alia*, to acquire, set up, own and run hotels, motels, restaurants and recreation health clubs, catering services and all other business related to hospitality and recreation etc.

#### ***Interest of our Promoters in terms of shareholding***

As on March 31, 2015, our Promoter, Narinder Singh Dhingra has a profit sharing ratio of 31% in WGH.

#### ***Financial Performance***

Certain details of the audited financials of WGH for Fiscal 2014, 2013 and 2012 are set forth below:

*(₹ in lac, except per share data)*

<b>Particulars</b>	<b>Fiscal 2014</b>	<b>Fiscal 2013</b>	<b>Fiscal 2012</b>
Partners Capital Account	276.28	240.84	237.10
Total Income	1,390.25	1,543.45	1,831.27
Net Profit/ (Loss)	1.48	10.02	9.70

#### **Group Entities with negative net worth**

Unless otherwise specifically stated, none of our Group Entities have negative networth in the last audited financial year.

#### **Details of group companies whose names have been struck off from RoC records**

None of our Group Entities have been struck off from the record of Registrar of Companies as “defunct companies”. Further, none of our Group Entities have made an application to the relevant registrar of companies in whose jurisdiction such Group Entity is registered, for striking off its name.

#### **Other Confirmations**

None of our Group Entities have become sick companies under the Sick Industrial Companies (Special Provisions) Act, 1985 and no winding up proceedings have been initiated against them.

Further, our Group Entities have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or any other authorities. Additionally, none of our Group Entities have been restrained from accessing the capital markets for any

reasons by the SEBI or any other authorities.

Equity shares of our Group Entities have not been listed on any stock exchanges and none of our Group Entities have made any public issues / rights issues in the last three years.

### **Litigation**

For details of relating to the legal proceeding involving our Group Entities, refer chapter titled “*Outstanding Litigation and Material Developments*” on page 334 of this Draft Red Herring prospectus.

### **Common Pursuits / Conflict of Interest**

There are no common pursuits/ conflict of interest amongst any of our Group Entities and our Company.

### **Sales or Purchase between the our Group Entities and our Company**

Except, as stated in the section titled “*Financial Information*” on page 180 of this Draft Red Herring Prospectus, there have been no sales or purchases between our Company and our Group Entities exceeding in value in the aggregate 10% of the total sales or purchases of our Company.

### **Related Party Transactions**

Except, as stated in the chapter titled “*Financial Statements*” on page 180 of this Draft Red Herring Prospectus, there are no related party transactions with our Group Entities.

### **Nature and Extent of Interest of Group Companies**

#### **(a) In the promotion of our Company**

None of our Group Companies have any interest in the promotion of our Company.

#### **(b) In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Draft Red Herring Prospectus with SEBI**

None of our Group Companies are interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus.

#### **(c) In transactions for acquisition of land, construction of building and supply of machinery**

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the shareholders of our Company, in their discretion, and will depend on a number of factors, including but not limited to our Company's earnings, general financial condition, capital requirements, results of operations, contractual obligations and overall financial position, Articles of Association, and other factors considered relevant by the Board of Directors. The Board may also from time to time pay interim dividends. All dividend payments are made in cash to the shareholders of our Company. In addition, our Company's ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company may enter into to finance fund requirements for its business activities.

The dividends declared by our Company in the last five fiscals as per the audited restated financial information are as given below:

<b>Particulars</b>	<b>Fiscal 2015</b>	<b>Fiscal 2014</b>	<b>Fiscal 2013</b>	<b>Fiscal 2012</b>	<b>Fiscal 2011</b>
Face value per share (₹)	10	10	10	10	10
Dividend (₹ lacs)	93.47	186.94	186.94	93.47	–
Dividend (in ₹ per share)	1	2	2	1	–
Dividend tax (₹ lacs)	19.14	31.77	30.33	15.16	–
Equity Share Capital	93,46,804*	93,46,804	93,46,804	93,46,804	93,46,804
Rate of dividend (%)	10.00	20.00	20.00	10.00	–

Note

\* Excluding 37,387,216 equity shares of ₹10 each issued as bonus shares to the existing shareholders of the parent company in the ratio of 4 shares for every 1 share held, post declaration of dividend.

The interim dividend of ₹ 1 per share for the Fiscal 2015 was declared pursuant to the Board resolution dated December 16, 2014.

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future. Our Company does not have a formal dividend policy.

## **SECTION VI: FINANCIAL INFORMATION**

### **FINANCIAL STATEMENTS**

1. Report of the Auditors on the Restated Standalone Financial Information of our Company as at and for each of the years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011; and
2. Report of the Auditors on the Restated Consolidated Financial Information of our Company as at and for each of the years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011.

## RESTATED STANDALONE FINANCIAL STATEMENTS

### Report of the Auditors on the Restated Standalone Financial Information of Numero Uno Clothing Limited as at and for each of the years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011.

The Board of Directors  
Numero Uno Clothing Limited  
568/1 PMW Complex,  
Railway Road  
Gurgaon, Haryana- 122001

Dear Sirs,

- 1) We have examined the attached Restated Standalone Financial Information comprising summary statement of profit and loss, as restated; summary statement of assets and liabilities, as restated; statement of cash flows, as restated; and other financial information as explained in paragraph 2 (e) below of Numero Uno Clothing Limited (the “**Company**”), as at and for the financial years ended 31 March 2011; 31 March 2012; 31 March 2013, 31 March 2014 and 31 March 2015 together with the annexure and notes thereto, as approved by the Board of Directors of the Company, prepared in terms of requirements of Section 26 of the Companies Act, 2013 (“**the Act**”) read with The Companies (Prospectus and Allotment of Securities Rules, 2014, to the extent applicable, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (“**SEBI Regulations**”), the ‘Guidance Note on ‘Reports in Company’s Prospectus (Revised)’ issued by the Institute of Chartered Accountants of India (‘ICAI’) to the extent applicable (‘**Guidance Note**’) and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 17 April 2015, in connection with the proposed issue of Equity Shares of the Company by way of fresh issue and/ or offer for sale by the existing shareholders (the ‘**Issue**’)

The above Restated Standalone Financial Information has been extracted by the management from the audited financial statements of the Company as at and for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015. The financial statements of the Company for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013 and 31 March 2014 were audited by B S R & Company, Chartered Accountants, member entities of B S R & Associates, a network registered with the Institute of Chartered Accountants of India (ICAI), whose reports thereon have been furnished to us, and accordingly, reliance has been placed on the financial statements audited by them. We have audited the financial statements of the Company for the year ended 31 March 2015.

- 2) In accordance with the requirements of Section 26 of the Act; SEBI Regulations; and the Guidance note on report in Company Prospectuses (Revised) issued in this regard by the Institute of Chartered Accountants of India, as amended from time to time and in terms of our engagement agreed with you, we report that:
  - (a) We have examined the attached Summary Statement of Assets and Liabilities, as restated, of the Company as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 as set out in **Annexure I** to the financial information read with the significant accounting policies in **Annexure V**. These are after making adjustments and regroupings as in our opinion, were appropriate and more fully described in the notes appearing in **Annexure IV (Part A)** to the financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.
  - (b) We have examined the attached Summary Statement of Profit and Loss, as restated, of the Company for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 as set out in **Annexure II** to the financial information. These are after making adjustments and regroupings as in our opinion, were appropriate and more fully described in the notes appearing in **Annexure IV (Part A)** to the financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.
  - (c) We have examined the attached Statement of Cash Flows, as restated, of the Company for financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 as set out in **Annexure III** to the financial information. These are after making adjustments and regroupings as in our opinion, were appropriate and more fully described in the notes appearing in **Annexure IV (Part A)** to the financial information. As a result of

these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

- (d) Based on the above, we are of the opinion that the Restated Standalone Financial Information, extracted by the management of the Company and approved by its Board of Directors, has been made after incorporating the following:
- i. adjustments 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 years;
  - ii. material amounts relating to previous years have been adjusted in the restated financial information in the respective financial years to which they relate;
  - iii. qualifications in the auditor's report which require adjustments have been given effect to in the restated financial information in the respective financial years, except for other audit qualifications and emphasis of matter paragraph in the auditor's report (including annexure thereof) as disclosed in **Note 1 of Annexure IV (Part B)**.
  - iv. And, there are no extraordinary items, which need to be disclosed separately in the restated financial information in the respective financial years.
- (e) We have also examined the following other financial information set out in Annexures prepared by the management based on the restated financial information and approved by the Board of Directors, relating to the Company for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015:
- i. Statement of Share Capital, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure VI** to the financial information;
  - ii. Statement of Reserve and Surplus, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure VII** to the financial information;
  - iii. Statement of Long Term Borrowings and Short Term Borrowings, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 and statement of details of terms and conditions, including interest rates, principal terms of securities, repayment and prepayment terms of the long term and short term borrowings outstanding as at 31 March 2015, as appearing in **Annexure VIII A; Annexure VIII B and Annexure VIII C** to the financial information;
  - iv. Statement of Other Long Term Liabilities, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure IX** to the financial information;
  - v. Statement of Provisions, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure X** to the financial information;
  - vi. Statement of Trade Payables, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XI** to the financial information;
  - vii. Statement of Other Current Liabilities, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XII** to the financial information;
  - viii. Statement of Fixed Assets, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XIII** to the financial information;
  - ix. Statement of aggregate book value and market value of Non-Current Investments, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XIV** to the financial information;
  - x. Statement of Deferred Tax Assets (Net), as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XV** to the financial information;
  - xi. Statement of Loans And Advances, (Long Term and Short Term), as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 as appearing in **Annexure XVI** to the financial information;
  - xii. Statement of Other Non-Current Assets, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XVII** to the financial information;

- xiii. Statement of Inventories, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XVIII** to the financial information;
- xiv. Statement of Trade Receivables, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XIX** to the financial information;
- xv. Statement of Cash and Bank Balances, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XX** to the financial information;
- xvi. Statement of Other Current Assets, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXI** to the financial information;
- xvii. Statement of Revenue From Operations, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXII** to the financial information;
- xviii. Statement of Other Income, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXIII** to the financial information;
- xix. Statement of Cost of Material Consumed, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXIV-A** to the financial information;
- xx. Statement of Purchase of Stock In Trade, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXIV-B** to the financial information;
- xxi. Statement of Changes In Inventories of Finished Goods, Work-in -Progress and Stock-in-Trade, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXIV-C** to the financial information;
- xxii. Statement of Employee Benefit Expenses, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXV** to the financial information;
- xxiii. Statement of Finance Cost, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXVI** to the financial information;
- xxiv. Statement of Depreciation and Amortization, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXVII** to the financial information;
- xxv. Statement of Other Expenses, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXVIII** to the financial information;
- xxvi. Statement of Accounting Ratios, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 as appearing in **Annexure XXIX** to the financial information;
- xxvii. Capitalization Statement, as at 31 March 2015, as restated, as appearing in **Annexure XXX** to the financial information;
- xxviii. Statement of Tax Shelter, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 as appearing in **Annexure XXXI** to the financial information;
- xxix. Statement of Dividends declared, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXXII** to the financial information;
- xxx. Statement of Related Parties and Related Party Transactions, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXXIII** to the financial information;
- xxxi. Summary of Segment Reporting, as restated, for the financial year ended 31 March 2012, as appearing in **Annexure XXXIV** to the financial information; and

- xxxii. Other significant notes to summary statement of assets and liabilities and summary statement of profit and loss, as restated, as at and for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXXV** to the financial information.
- 3) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as an opinion on any of the financial statements referred to herein.
  - 4) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  - 5) In our opinion, the above financial information of the Company, read with Significant Accounting Policies appearing in **Annexure V** to the financial information, after making adjustments as considered appropriate and as set out in para 2(d) above and as stated in Annexure IV-B to the financial information, has been prepared in accordance with Section 26 of the Act, to the extent applicable, the SEBI Regulations, as amended from time to time, the Guidance note and in terms of our engagement as agreed with you.
  - 6) Our report is intended solely for the use of management and for inclusion in the Draft Red Herring Prospectus (DRHP) in connection with in connection with the proposed issue of Equity Shares of the Company by way of fresh issue and/ or offer for sale by the existing shareholders and is not to be used, referred to or distributed for any other purpose without our written consent.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm Registration No: 101248W/W-100022

**Pravin Tulsyan**

*Partner*

Membership No.: 108044

Place: Gurgaon

Date: 27 April, 2015



**ANNEXURE I: SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	Annexure	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>(1) Equity and Liabilities</b>						
<b>Shareholders' funds</b>						
(a) Share capital	VI	4,673.40	934.68	934.68	934.68	934.68
(b) Reserves and surplus	VII					
- Securities premium		-	3,133.00	3,133.00	3,133.00	3,133.00
- General reserve		-	147.92	64.28	-	-
- Surplus in statement of profit and loss, as restated		5,102.37	4,194.58	3,392.20	2,827.78	2,267.50
<b>(2) Non-current liabilities</b>						
Long- term borrowings	VIII-A	95.61	18.84	37.46	9.46	35.80
Other long-term liabilities	IX	341.18	309.19	223.00	196.18	206.92
Long-term provisions	X	222.95	149.89	138.26	128.69	113.71
<b>(3) Current liabilities</b>						
Short-term borrowings	VIII-B	2,178.42	2,114.60	2,770.32	2,407.09	2,382.64
Trade payables	XI	1,072.27	1,262.00	994.23	883.65	900.50
Other current liabilities	XII	513.70	334.92	298.60	487.42	773.17
Short-term provisions	X	562.49	537.90	381.81	419.59	395.83
<b>Total</b>		<b>14,762.39</b>	<b>13,137.52</b>	<b>12,367.84</b>	<b>11,427.54</b>	<b>11,143.75</b>
<b>Assets</b>						
<b>(4) Non-current assets</b>						
(a) Fixed assets	XIII					
- Tangible fixed assets		2,026.56	2,088.65	2,145.10	2,172.78	2,082.82
- Intangible fixed assets		47.69	93.65	63.13	109.23	78.00
- Capital work in progress		478.23	42.09	44.00	29.79	50.19
(b) Non-current investments	XIV	704.99	704.99	704.99	704.99	704.99
(c) Deferred tax assets (net)	XV	338.37	233.69	212.73	170.27	118.55
(d) Long-term loans and advances	XVI	386.78	377.88	315.30	424.78	404.14
(e) Other non-current assets	XVII	15.30	24.25	22.43	20.37	18.04
<b>(5) Current assets</b>						
(a) Inventories	XVIII	3,388.13	3,446.47	2,903.72	3,376.15	3,336.79
(b) Trade receivables	XIX	7,148.27	6,008.10	5,688.69	4,237.97	4,141.00
(c) Cash and bank balances	XX	39.94	21.24	78.55	40.18	23.46
(d) Short-term loans and advances	XVI	188.13	96.51	189.20	141.00	185.53
(e) Other current assets	XXI	-	-	-	0.03	0.24
<b>Total</b>		<b>14,762.39</b>	<b>13,137.52</b>	<b>12,367.84</b>	<b>11,427.54</b>	<b>11,143.75</b>

Note:

1. Significant accounting policies are given in annexure V
2. In addition to annexures referred above, certain other notes are given in annexure XXXIII to annexure XXXV
3. Summary of results of adjustments / rectifications made in the audited financial statements of the respective years and its impact on Summary statement of profit and loss, as restated and summary statement of assets and liabilities, as restated are given in annexure IV (part-A)
4. The reconciliation between the audited surplus in Statement of Profit And Loss and restated surplus in Statement of Profit And Loss as at 1 April 2010 is given in note 2 of Annexure IV (Part B).

**ANNEXURE II: SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	Annexure	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Revenue from operations	XXII	15,138.71	13,535.81	13,087.53	11,003.29	9,820.19
Other income	XXIII	97.09	78.94	123.37	96.03	200.44
<b>Total revenue (A)</b>		<b>15,235.80</b>	<b>13,614.75</b>	<b>13,210.90</b>	<b>11,099.32</b>	<b>10,020.63</b>
<b>Expenditure:</b>						
Cost of materials consumed	XXIV-A	3,445.94	3,543.40	3,110.64	3,124.76	3,006.08
Purchases of stock-in-trade	XXIV-B	3,328.26	3,055.87	3,366.25	1,894.92	1,132.35
Changes in inventories of finished goods, work-in-progress and stock-in-trade	XXIV-C	14.03	(460.12)	138.85	(406.48)	(238.78)
Employee benefits	XXV	1,671.50	1,411.49	1,383.92	1,463.89	1,311.49
Finance costs	XXVI	414.82	409.53	432.19	400.45	230.18
Depreciation and amortisation expense	XXVII	571.51	376.66	437.38	447.34	433.20
Other expenses	XXVIII	3,528.46	3,575.75	3,079.26	3,120.20	3,340.67
<b>Total expenses (B)</b>		<b>12,974.52</b>	<b>11,912.58</b>	<b>11,948.49</b>	<b>10,045.08</b>	<b>9,215.19</b>
<b>Profit before exceptional items and tax, as restated (C) = (A) - (B)</b>		<b>2,261.28</b>	<b>1,702.17</b>	<b>1,262.41</b>	<b>1,054.24</b>	<b>805.44</b>
<b>Exceptional item</b>						
Profit on transfer of business		-	-	-	-	125.15
<b>Profit before tax and after exceptional item, as restated (D)</b>		<b>2,261.28</b>	<b>1,702.17</b>	<b>1,262.41</b>	<b>1,054.24</b>	<b>930.59</b>
<b>Provision for tax</b>						
Current tax		887.76	618.40	458.88	437.07	391.00
Deferred tax charge/ (credit)		(104.68)	(20.96)	(42.44)	(51.74)	(65.67)
Wealth tax		-	-	-	-	0.82
<b>Total tax expense/ (credit) (E)</b>		<b>783.08</b>	<b>597.44</b>	<b>416.44</b>	<b>385.33</b>	<b>326.15</b>
<b>Profit after tax, as restated (F) = (D) - (E)</b>		<b>1,478.20</b>	<b>1,104.73</b>	<b>845.97</b>	<b>668.91</b>	<b>604.44</b>

Note:

1. Significant accounting policies are given in annexure V
2. In addition to annexures referred above, certain other notes are given in annexure XXXIII to annexure XXXV
3. Summary of results of adjustments / rectifications made in the audited financial statements of the respective years and its impact on Summary statement of profit and loss, as restated and summary statement of assets and liabilities, as restated are given in annexure IV (part-A)
4. The reconciliation between the audited surplus in Statement of Profit And Loss and restated surplus in Statement of Profit And Loss as at 1 April 2010 is given in note 2 of Annexure IV (Part B).

**ANNEXURE III: STATEMENT OF CASH FLOWS, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>A) Cash flow from operating activities:</b>					
Net profit before tax, as restated	2,261.28	1,702.17	1,262.41	1,054.24	930.59
<b>Adjustments for :</b>					
Depreciation and amortisation	571.51	376.66	437.38	447.34	433.20
Finance cost	414.82	409.53	432.19	400.45	230.18
Interest income	(52.67)	(47.65)	(78.69)	(48.53)	(38.54)
Exceptional item- profit on transfer of business	-	-	-	-	(125.15)
Unrealised foreign exchange fluctuation (net)	0.19	-	-	-	-
(Profit)/loss on sale of fixed assets	3.63	1.27	14.73	5.80	13.15
<b>Operating profit before following adjustments :</b>	<b>3,198.76</b>	<b>2,441.98</b>	<b>2,068.02</b>	<b>1,859.30</b>	<b>1,443.43</b>
Adjustments for :					
(Increase) in trade receivables	(1,140.17)	(319.42)	(1,436.41)	(225.31)	(1,061.09)
(Increase)/decrease in loan and advances and other current assets	(85.41)	29.26	59.25	22.16	(433.27)
(Increase)/ decrease in inventories	58.30	(542.74)	491.12	54.41	(1,406.45)
Increase/ (decrease) in trade payables	(189.94)	299.21	100.16	(45.24)	506.27
Increase/ (decrease) in other current liabilities and provisions	243.88	141.14	31.88	(179.93)	342.03
<b>Cash Generated from operations</b>	<b>2,085.42</b>	<b>2,049.41</b>	<b>1,314.02</b>	<b>1,485.39</b>	<b>(609.08)</b>
Taxes paid (net)	(832.09)	(501.78)	(586.96)	(443.58)	(297.18)
<b>Net cash from operating activities (A)</b>	<b>1,253.33</b>	<b>1,547.65</b>	<b>727.06</b>	<b>1,041.81</b>	<b>(906.26)</b>
<b>B) Cash flow from investing activities:</b>					
Purchase of fixed assets	(938.02)	(358.24)	(409.41)	(578.99)	(540.30)
Sale of fixed assets	28.61	8.20	16.82	25.06	30.41
Investment in subsidiary	-	-	-	-	(4.99)
Interest income	52.67	47.65	23.82	10.15	38.54
Bank deposit (more than 3 months)	(2.77)	12.87	(12.87)	-	-
<b>Net cash used in investing activities (B)</b>	<b>(859.51)</b>	<b>(289.52)</b>	<b>(381.64)</b>	<b>(543.78)</b>	<b>(476.34)</b>
<b>C) Cash flow from financing activities:</b>					
Proceeds from working capital loan (net)	79.47	(622.72)	363.23	24.45	1,773.27
Repayment of unsecured loan	(15.65)	(33.00)	-	-	(2.00)
Proceeds from long term borrowings	201.26	5.38	58.82	-	-
Repayment of long term borrowings	(124.50)	(23.99)	(30.82)	(105.31)	(152.68)
Finance cost	(414.82)	(409.53)	(432.19)	(400.45)	(230.18)
Dividend paid	(93.47)	(186.94)	(248.63)	-	-
Tax on dividend	(19.14)	(31.77)	(30.33)	-	-
<b>Net cash (used in) / generated from financing activities (C )</b>	<b>(386.85)</b>	<b>(1,302.57)</b>	<b>(319.92)</b>	<b>(481.31)</b>	<b>1,388.41</b>
D) Net increase / (decrease) in cash and cash equivalents (A+B+C)	<b>6.97</b>	<b>(44.44)</b>	<b>25.50</b>	<b>16.72</b>	<b>5.81</b>
E) Cash and cash equivalents as at the beginning of the year	21.24	65.68	40.18	23.46	17.65
F) Cash and cash equivalents as at the end of the year	<b>28.21</b>	<b>21.24</b>	<b>65.68</b>	<b>40.18</b>	<b>23.46</b>

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>Closing cash and cash equivalents comprise of</b>					
Cash in hand	4.03	7.62	2.66	1.53	0.48
Foreign currency in hand	0.30	0.33	0.15	-	-
Balances with banks					
-Current accounts	23.88	13.29	57.84	22.91	22.98
-Fixed deposit accounts with original maturity of three months or less other bank balance	-	-	5.03	15.74	-
	<b>28.21</b>	<b>21.24</b>	<b>65.68</b>	<b>40.18</b>	<b>23.46</b>

Note:

1. The cash flow statement has been prepared in accordance with 'Indirect method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statements' as referred in the Companies Act 2013.
2. Figures in brackets indicate cash outflow.
3. Significant accounting policies are given in annexure V.

**ANNEXURE IV (PART A) - NOTES TO THE SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED (ANNEXURE I) AND SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED (ANNEXURE II)**

Below mentioned is the summary of results of adjustments / rectifications made in the audited financial statements of the respective years and its impact on Summary statement of profit and loss, as restated and summary statement of assets and liabilities, as restated.

Particulars	<i>(Amounts in ₹ in lacs)</i>				
	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>Impact on Summary Statement of Profit And Loss, as restated (Annexure II)</b>					
Profit After Tax (as per audited financial statements)	1,447.54	1,115.18	857.04	704.40	613.51
<b>Restatement adjustments :</b>					
Liability No longer required written Back (Refer Note 1)	-	(1.57)	(1.79)	(29.42)	13.61
Taxes Paid For Earlier Years (Refer Note 2)	10.17	(0.05)	-	(5.14)	2.13
Depreciation (Refer Note 3)	-	(14.26)	(14.54)	(15.46)	(0.48)
Provision for contingencies (Refer Note 8)	30.00	-	-	-	(30.00)
<b>Total Adjustments- add / (less)</b>	<b>40.17</b>	<b>(15.88)</b>	<b>(16.33)</b>	<b>(50.02)</b>	<b>(14.74)</b>
Tax Rate	33.99%	33.99%	32.45%	32.45%	33.22%
Current tax impact (Refer Note 4)	-	(0.53)	(0.58)	(9.54)	4.52
Deferred Tax Impact (Refer Note 5)	9.49	(4.90)	(4.69)	(5.00)	(10.19)
<b>Profit after tax, as restated</b>	<b>1,478.22</b>	<b>1,104.73</b>	<b>845.98</b>	<b>668.92</b>	<b>604.44</b>

Particulars	<i>(Amounts in ₹ in lacs)</i>				
	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>Impact on Summary Statement of Profit And Loss, as restated (Annexure II)</b>					
Revenue From Operation -Note 6	-	-	(40.58)	(207.30)	143.57
Changes in inventories of finished goods, work-in-progress and stock-in-trade -Note 6	-	-	18.70	112.47	(71.89)
Provision against sales return -Note 6	-	-	21.88	94.83	(71.68)

Particulars	<i>(Amounts in ₹ in lacs)</i>				
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>Impact on Summary Statement of Assets And Liabilities, as restated (Annexure I)</b>					
Reserves and surplus- Note 1	-	(1.57)	(1.79)	(29.42)	13.61
Trade payables- Note 1	-	1.57	1.79	29.42	(13.61)
Reserves and surplus- Note 2	10.17	(0.05)	-	(5.14)	2.13
Short-term provisions- Note 2	(10.17)	0.05	-	5.14	(2.13)
Reserves and surplus- Note 3	-	(14.26)	(14.54)	(15.46)	(0.48)
Tangible fixed assets- Note 3	-	14.26	14.54	15.46	0.48
Reserves and surplus- Note 4	-	0.53	0.58	9.54	(4.52)
Short-term provisions- Note 4	-	(0.53)	(0.58)	(9.54)	4.52
Reserves and surplus- Note 5	(9.49)	4.90	4.69	5.00	10.19
Deferred tax assets (net)- Note 5	9.49	(4.90)	(4.69)	(5.00)	(10.19)
Trade Receivables- Note 6	-	-	-	40.58	247.88
Inventories- Note 6	-	-	-	(18.70)	(131.18)
Short-term provisions- Note 6	-	-	-	(21.88)	(116.70)
Reserves and surplus- Note 8	30.00	-	-	-	(30.00)
Short- term provisions- Note 8	(30.00)	-	-	-	30.00

Notes:

- 1) During the years ended 31 March 2015, 31 March 2014, 2013 and 2012, the Company reversed certain liabilities which were considered as no longer payable and recognized as "Other income". Since, these were relating to earlier years, the reversal has been now reflected in respective year in which the liability was created.
- 2) Consequent to completion of income tax assessment for certain years, the Company paid additional taxes/ received additional refund which were recorded in the year of completion of such assessments. As these were relating to earlier years, the same has accounted for in the financial year for which the amount relates to.
- 3) Consequent to change in revision in depreciation rates due to applicability of Companies Act, 2013 with effect from 1 April 2014 (as further explained in note 2(g) of Annexure V), the impact on depreciation expense relating to assets whose estimated useful life expired as on or before 31 March 2015, has been adjusted in respective years.
- 4) Represents tax adjustment relating to adjustment described in 1 above.
- 5) Represents tax adjustment relating to adjustment described in 3 above and 8 below.
- 6) Up to 31 March 2012, margin loss on expected sales return was adjusted from revenue from operation, Inventories and trade receivables. While in subsequent years, this was presented as Provision against sales return with a corresponding impact in Changes in inventories of finished goods, work-in-progress and stock-in-trade, Revenue from operation. This adjustment has no impact on profits.
- 7) W.e.f. April 1 2011, revised schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the figures for the previous year ended 31 March, 2011 in accordance with the requirements applicable for the year ended 31 March, 2012.

Appropriate adjustments have been made in the Restated Summary Statements of assets and liabilities, profit and losses and cash flows, 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 audited financials of the Company as at and for the year ended 31 March, 2015, prepared in accordance with Schedule III of the Companies Act, 2013 and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended). Further numbers have been rounded off nearest to ₹ in lacs for all period presented.

- 8) A provision of ₹ 30 lacs has been made in the year ended 31 March 2015 towards a claim of ₹ 57.20 lacs filed by lessor for non-adherence to the terms of the agreement and default in making payment of security deposit and lease rental/ license fee for a leased premises which was vacated in the year ended 31 March 2011. This matter is currently under Arbitration. As the matter relates to year ended 31 March 2011, the adjustment has been reflected in the financial information of that year.

## ANNEXURE IV (PART B)

1. Other audit qualifications and emphasis of matter paragraph in the auditor's report on the financial statements of the Company, either the effect of which is not ascertainable or which do not require any material corrective adjustments in the financial information, are as follows:

### Financial year ended 31 March 2012

In case of amounts deducted/ accrued in the books of account in respect of undisputed statutory dues of Provident Fund and Employee's state insurance, the Company was not regular in depositing dues on time, though the delay in deposit have not been serious.

### Financial year ended 31 March 2013

There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Cess and other material statutory dues were in arrears as at 31 March 2013, except as mentioned below:

Nature of statute	Nature of dues	Amount involved (In ₹ in lacs)	Amount deposited (in ₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Delhi Value Added Tax Act, 2004	VAT	46.57	6.02	2006-07	Appellate Tribunal, Value Added Tax , Delhi

### Financial year ended 31 March 2014

- (a) In case of amounts deducted/ accrued in the books of account in respect of undisputed statutory dues of Sales tax, Service tax and Income tax, there have been slight delays in deposit of these statutory dues in few cases.
- (b) There are no dues of Income tax, Sales tax, Wealth tax, Service tax, Excise Duty, Customs duty and Cess which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Nature of statute	Nature of dues	Amount involved (In ₹ in lacs)	Amount deposited (in ₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Delhi Value Added Tax Act, 2004	VAT	46.57	6.02	2006-07	Appellate Tribunal, Value Added Tax , Delhi

### Financial year ended 31 March 2015

- (a) We draw attention to Note 36 of the financial statements, wherein it is stated that the Company has recoverable balance from certain customers amounting to ₹ 687.37 lacs and ₹ 777.14 lacs as at 31 March 2015 and 31 March 2014 respectively. The balance excludes any interest on delayed payment which is generally levied by the Company as per its contractual terms and recognized when it is not unreasonable to expect the ultimate collection by the Company.

As a consequence of certain disputes, the Company has discontinued its business with the customer and has initiated steps (including legal recourse wherever considered necessary) to recover the outstanding balance. As per the facts/ circumstances of the case and legal wherever applicable, the management believes that there exists favorable chances of recovering at least the outstanding balance (excluding interest thereon) and therefore, no provision has been made in the financial statements. Our report is not qualified in respect of this matter.

- (b) Though there have been slight delays in few cases with respect to employee's state insurance and service tax.
- (c) There are no dues of Income tax, Sales tax, Wealth tax, Service tax, Excise Duty, Customs duty and Cess which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Nature of statute	Nature of dues	Amount involved (In ₹ in lacs)	Amount deposited (in ₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Delhi Value Added Tax Act, 2004	VAT	46.57	6.02	2006-07	Appellate Tribunal, Value Added Tax , Delhi

Note: The above table includes only those amounts on which demand orders have been served and are under dispute

2. Reconciliation between the surplus in statement of profit and loss as per audited financial statements and surplus in statement of profit and loss, as restated as at 1 April 2010, is given below:

<b>Particulars</b>	<b>(Amounts in ₹ in lacs)</b>
<b>Profit and loss appropriation account as at 1 April 2010 as per audited financials</b>	<b>1,657.31</b>
Adjustments :	
Liability no longer required written back	19.17
Taxes paid for earlier years	(7.12)
Depreciation	(0.24)
Current tax liability	(6.14)
Deferred Tax	0.08
<b>Profit and Loss Appropriation account as at 1 April 2010, as restated</b>	<b>1,663.06</b>



## ANNEXURE V - SIGNIFICANT ACCOUNTING POLICIES

### 1. Company Overview

Numero Uno Clothing Limited was incorporated as a public limited company in the year 2006 and took over the proprietary business of Hi-Fashion Clothing Co. The Company is primarily engaged in manufacturing and trading of readymade garments, footwear and accessories.

### 2. Significant accounting policies

#### a. Basis of preparation of restated financial statements

The Restated Financial Information comprising summary statement of profit and loss, as restated; summary statement of assets and liabilities, as restated; statement of cash flows, as restated; and other financial information of Numero Uno Clothing Limited (the "Company"), as at and for the financial years ended 31 March 2011; 31 March 2012; 31 March 2013, 31 March 2014 and 31 March 2015, together with the annexure and notes thereto, prepared by applying necessary adjustments as considered appropriate and as set out in Annexure IV(Part A) to the Restated Financial Information of the Company, in terms of requirements of Section 26 of the Companies Act, 2013 ('the Act') read with The Companies (Prospectus and Allotment of Securities Rules, 2014, to the extent applicable, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ('SEBI Regulations') and the 'Guidance Note on 'Reports in Company's Prospectus (Revised)' issued by the Institute of Chartered Accountants of India ('ICAI') to the extent applicable ('Guidance Note') in connection with the proposed initial public offering (the 'Issue') of equity shares of the Company.

#### b. Presentation and disclosure of financial statements

W.e.f, April 1 2011, revised schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the figures for the previous years ended 31 March 2011 in accordance with the requirements applicable for the year ended 31 March 2012.

#### c. Current–non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is expected to be realised within 12 months after the reporting date; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be settled in the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is due to be settled within 12 months after the reporting date; or
- (iv) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current

**d. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in India (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the year. Differences between actual results and estimates are recognised in the year in which the results are known or materialised. Examples of such estimates are estimated useful life of assets, provision for doubtful debts, retirement benefits, devaluation /provision for inventory, provision for sales return margin etc. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**e. Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises original cost of acquisition and any directly attributable costs of bringing the asset to its working condition for the intended use.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds.

Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Tangible fixed assets under construction are disclosed as capital work-in-progress.

**f. Intangible fixed assets**

Intangible assets which are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

**g. Depreciation and amortisation**

Up to 31 March 2014, depreciation was provided on pro-rata basis as per written down value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956 and assets individually costing upto ₹ 0.05 lacs were fully depreciated in the year of purchase.

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has revised depreciation rate on certain fixed assets as per the useful life specified in Part 'C' of Schedule II to the Act. As a result of this change, the depreciation charge till 31 March 2015 is higher by ₹ 226.34 lacs, which includes an amount of ₹ 44.97 lacs in respect of assets whose useful life is already exhausted as on 1 April 2014.

Leasehold land is amortised over the period of the lease. Leasehold improvements are amortised over the remaining period of lease or the useful life of assets, whichever is shorter.

Intangible assets (software) are amortized over the estimated life of three years from the date of capitalization.

**h. Impairment**

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation), had no impairment loss been recognized.

**i. Revenue recognition**

Revenue from sale of goods to distributors, franchisees and dealers is recognised at the point of dispatch of goods, which coincides with the transfer of risks and rewards as per the arrangements with the parties.

Revenue in case of consignment sale and sales made on sale or return basis is recognized only when the sale is made to the ultimate customer.

Revenue are shown net of sales tax, sales returns and trade discounts.

A provision is created in the year of sale for margin loss on expected sales return estimated on the basis of historical experience and available facts and circumstances.

**j. Interest income**

Interest is recognized as income at agreed rates on a time proportion basis and to the extent it is not unreasonable to expect the ultimate collection by the Company.

**k. Inventories**

Inventories primarily comprising raw materials, packing materials, accessories, consumables and work-in-process are carried at cost computed on a First in First out basis, after providing for obsolescence. In case there is a decline in replacement cost of such materials and the net realisable value of finished products in which they will be used is expected to be below cost, the value of such materials and work in process is appropriately written down.

Finished goods are valued at the lower of cost (computed on First in First out basis) and net realisable value. Cost includes an appropriate portion of manufacturing and other overheads, where applicable.

**l. Employee benefits**

**Short term employee benefits**

All employee benefits payable /available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus, etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

**Post -employment benefits**

The Company's provident fund scheme is a defined contribution plan. Contributions payable towards provident fund are deposited with the Regional Provident Fund Department and are charged to the Statement of Profit and Loss on accrual basis.

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date relevant to the maturity period of the obligation. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

**Other long term employee benefits**

Benefits under the Company's compensated absences scheme constitute other long-term employee benefits. The obligation in respect of compensated absences is provided on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measure each unit separately to build up the final obligation. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

**m. Foreign currency transactions**

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing at the date of the balance sheet. Exchange gains or losses arising out of fluctuations in exchange rates on settlement during the year or translation at the year end are recognized in the Statement of Profit and Loss.

**n. Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

**o. Earnings per share**

Basic earnings per share is calculated by dividing the net profit/loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Dilutive earnings per share is computed and disclosed after adjusting the effects of all dilutive potential equity shares, if any, except when the results will be anti-dilutive.

**p. Income Tax**

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or deferred tax assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. Where there is unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

Deferred tax assets or liabilities arising due to timing differences, originating during the tax holiday period and reversing after the tax holiday period are recognised in the period in which the timing difference originate.

**q. Provisions and Contingencies**

The Company recognises a provision when there is a present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligation and the amount of such outflow obligation can be reliably estimated. Provisions are not discounted to its present value, and are determined based on the management's best estimate of the amount of obligation required at the year end. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. When there is a possible obligation or a present obligation where the likelihood of an outflow of resources is remote, no disclosure or provision is made.

**r. Investment**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current-non-current classification scheme of revised Schedule VI.

Long-term investments are carried at cost, after providing for any diminution in value, if such diminution is of other than temporary nature.

Current investments are stated at lower of cost and fair value.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and fixed deposits with banks with original maturity of three months or less.

**ANNEXURE VI: STATEMENT OF SHARE CAPITAL, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>Authorised</b>					
60,000,000 (Previous years 10,000,000) equity shares of ₹ 10 each	6,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>Issued, subscribed and fully paid-up</b>					
46,734,020 (Previous year 9,346,804) equity shares of ₹ 10 each fully paid-up	4,673.40	934.68	934.68	934.68	934.68

**Foot notes:**

a) Reconciliation of Equity Share Capital :

Equity share	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
At the beginning of the years	93,46,804	93,46,804	93,46,804	93,46,804	93,46,804
Add: Issuance of bonus shares *	3,73,87,216	-	-	-	-
At the end of the years	4,67,34,020	93,46,804	93,46,804	93,46,804	93,46,804

\* 37,387,216 equity share issued to existing shareholders in the ratio of four equity share for one equity share held.

- b) The Company has a single class of equity shares. Accordingly, all equity shares rank pari-passu with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll are in proportion to its share of the paid up equity share capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.
- c) 6,741,804 equity shares of ₹ 10/- each were issued for consideration other than cash in the year 2007-08 for take over of the business of Hi - Fashion Clothing Co., a proprietary concern.
- d) Particulars of shareholders holding more than 5% equity shares :

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>Names</b>	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>
-Mr. Narinder Singh Dhingra	3,38,34,020	67,66,804	6,766,804	6,766,804	6,766,804
-AA Development Capital India Fund I, LLC	1,17,35,000	23,47,000	23,47,000	23,47,000	23,47,000
<b>Names</b>	<b>% of shares</b>	<b>% of shares</b>	<b>% of shares</b>	<b>% of shares</b>	<b>% of shares</b>
-Mr. Narinder Singh Dhingra	72.40	72.40	72.40	72.40	72.40
-AA Development Capital India Fund I, LLC	25.11	25.11	25.11	25.11	25.11

**ANNEXURE VII: STATEMENT OF RESERVE AND SURPLUS, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>Securities premium account</b>					
Balance at the beginning and end of the years	3,133.00	3,133.00	3,133.00	3,133.00	3,133.00
Less: Utilized for issue of bonus equity share	(3,133.00)	-	-	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>3,133.00</b>	<b>3,133.00</b>	<b>3,133.00</b>	<b>3,133.00</b>
<b>General reserve</b>					
Balance at the beginning of the years	147.92	64.28	-	-	-
Amount Transferred from Surplus	-	83.64	64.28	-	-
Less: Utilized for issue of bonus equity shares	(147.92)	-	-	-	-
<b>Balance at the end of the years</b>	<b>-</b>	<b>147.92</b>	<b>64.28</b>	<b>-</b>	<b>-</b>
<b>Surplus in the Statement of Profit and Loss</b>					
Balance at the beginning of the years	4,194.58	3,392.20	2,827.78	2,267.50	1,663.06
Add: Profit for the years	1,478.20	1,104.73	845.97	668.91	604.44
Less: Utilized for issue of bonus equity share	(457.80)	-	-	-	-
Less: Interim dividend on equity shares	(93.47)	(186.94)	(186.94)	-	-
Less: Tax on interim equity dividend	(19.14)	(31.77)	(30.33)	-	-
Less: Proposed dividend on equity shares	-	-	-	(93.47)	-
Less: Tax on proposed equity dividend	-	-	-	(15.16)	-
Less: Transferred to general reserve	-	(83.64)	(64.28)	-	-
<b>Balance at end of the year</b>	<b>5,102.37</b>	<b>4,194.58</b>	<b>3,392.20</b>	<b>2,827.78</b>	<b>2,267.50</b>
<b>Total reserves and surplus</b>	<b>5,102.37</b>	<b>7,475.50</b>	<b>6,589.48</b>	<b>5,960.78</b>	<b>5,400.50</b>

**ANNEXURE VIII-A: STATEMENT OF LONG TERM BORROWINGS, AS RESTATED**

*(Amounts in ₹ in lacs)*

Particulars	As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities
<b>Secured term loans from banks:-</b>										
Federal Bank Limited	80.14	141.62	-	-	-	-	-	19.49	19.49	103.34
<b>Total (A)</b>	<b>80.14</b>	<b>141.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.49</b>	<b>19.49</b>	<b>103.34</b>
<b>Secured Vehicle loans</b>										
ICICI Bank Limited	15.47	10.37	4.47	4.78	5.97	8.73	9.46	15.62	16.31	10.75
HDFC Bank Limited	-	14.37	14.37	17.12	31.49	15.04	-	-	-	-
<b>Total (B)</b>	<b>15.47</b>	<b>24.74</b>	<b>18.84</b>	<b>21.90</b>	<b>37.46</b>	<b>23.77</b>	<b>9.46</b>	<b>15.62</b>	<b>16.31</b>	<b>10.75</b>
<b>Total (A+B)</b>	<b>95.61</b>	<b>166.36</b>	<b>18.84</b>	<b>21.90</b>	<b>37.46</b>	<b>23.77</b>	<b>9.46</b>	<b>35.11</b>	<b>35.80</b>	<b>114.09</b>

Refer annexure VIII-C for details of terms and conditions, including interest rates, principal terms of security, repayment and prepayment terms of the long term borrowings outstanding as at 31 March 2015.

**ANNEXURE VIII-B: STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED**
*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
<b>Secured loans from banks:</b>					
-Cash credit/ working capital loans					
Federal Bank Limited	779.62	534.18	558.25	685.03	2,333.99
Axis Bank Limited	422.22	677.75	1,042.07	1,366.21	-
Jammu & Kashmir Bank Limited	976.58	887.02	1,121.35	307.20	-
<b>Total (A)</b>	<b>2,178.42</b>	<b>2,098.95</b>	<b>2,721.67</b>	<b>2,358.44</b>	<b>2,333.99</b>
<b>Unsecured Loan</b>					
Loan from related parties					
From a Director	-	15.65	15.65	15.65	15.65
From a Company	-	-	33.00	33.00	33.00
<b>Total (B)</b>	<b>-</b>	<b>15.65</b>	<b>48.65</b>	<b>48.65</b>	<b>48.65</b>
<b>Total (A+B)</b>	<b>2,178.42</b>	<b>2,114.60</b>	<b>2,770.32</b>	<b>2,407.09</b>	<b>2,382.64</b>

Refer annexure VIII-C for details of terms and conditions, including interest rates, principal terms of security, repayment and prepayment terms of the long term borrowings outstanding as at 31 March 2015.



**ANNEXURE VIII-C: STATEMENT OF DETAILS OF TERMS AND CONDITIONS, INCLUDING INTEREST RATES, PRINCIPAL TERMS OF SECURITY, REPAYMENT AND PREPAYMENT TERMS OF THE LONG TERM AND SHORT TERM BORROWINGS OUTSTANDING AS AT 31 MARCH 2015**

*(Amounts in ₹ in lacs)*

S. No	Name of the asset for which loan is taken	Name of the Bank	Amount secured (₹ in lacs)	Rate of interest	Terms of payment	Pre-payment penalty	Extent and operation of charge
1	Vehicle	ICICI Bank Limited	13.47	10.50%	36 equal monthly installments starting from 15 Nov 2014	The lesser of the following: a) 5% of the principal outstanding plus applicable service tax b) The interest outstanding for the remaining tenure of the loan.	Charge over respective vehicle
2	Vehicle	ICICI Bank Limited	13.47	10.50%	36 equal monthly installments starting from 15 Nov 2014	The lesser of the following: a) 5% of the principal outstanding plus applicable service tax b) The interest outstanding for the remaining tenure of the loan.	Charge over respective vehicle
3	Building	The Federal Bank Limited	300.00	Bank rate + 1.8%	60 equal monthly installments starting from 30 August 2014	Nil if paid from own source. Otherwise 2% of the balance outstanding at the time of closure.	First Pari-passu charge by way of Equitable Mortgage on the following:- <b>Primary:-</b> 1) Leasehold industrial property and building measuring 8059.30 sq. meters including additional constructions on 1st and 2nd floor at A2/2, UPSIDC Industrial area, Selaqui, Dehradun <b>Secondary:-</b> 1) Land measuring 17091.25 sq. yards at 568/1, PMW Complex, Railway road, Gurgaon at Sy Khasra No 364, 3317/365, 3318/365. 2) Industrial plot measuring 1800 sq. meter at 408, sector-8, IMT Manesar, Haryana. <b>Additional charge-</b> 1) First pari-passu charge over the other fixed assets other than land and building. Additionally, term loans from banks are personally guaranteed by the Directors and their relatives.
4	Machinery	The Federal Bank Limited	300.00	Bank rate + 2%	60 equal monthly installments starting from 24 May 2014	2% of the amount to be taken over	First pari passu charge:- <b>Primary:-</b> 1) Hypothecation of new machinery to be purchased out of term loan. <b>Collateral :-</b> 1) Land measuring 17091.25 sq yards at 568/1, PMW Complex, Railway road, Gurgaon at Sy Khasra No 364, 3317/365, 3318/365. 2) Leasehold industrial property and building measuring 8059.30 sq. meters including additional constructions on 1st and 2nd floor at A2/2, UPSIDC Industrial area, Selaqui, Dehradun 3) Industrial plot measuring 1800 sq. meter at 408, sector-8, IMT Manesar, Haryana. <b>Additional charge-</b> 1) First pari passu charge over the other fixed assets other than land and building. Additionally, term loans from banks are personally guaranteed by the Directors and their relatives.
5	Vehicle	ICICI Bank Limited	5.38	10.62%	36 equal monthly installments starting from 1 July 2013	The lesser of the following: a) 5% of the principal outstanding plus applicable service tax b) The interest outstanding for the remaining tenure of the	Charge over respective vehicle

S. No	Name of the asset for which loan is taken	Name of the Bank	Amount secured (₹ in lacs)	Rate of interest	Terms of payment	Pre-payment penalty	Extent and operation of charge
						loan.	
6	Vehicle	HDFC Bank	50.00	13%	36 equal monthly installments starting from 5 Jan 2013	Not Applicable	Charge over respective vehicle
7	Cash Credit	The Federal Bank Limited	1,500	Bank rate + 2%	NA	NA	<p>First pari passu charge:-</p> <p><b>Primary:-</b></p> <p>1) Over the entire current assets of the company including hypothecation of the inventory and book debts. (Margin : 25% on stocks and 30% on receivables)</p> <p><b>Collateral:-</b></p> <p>1) Land measuring 17091.25 sq. yards at 568/1, PMW Complex, Railway road, Gurgaon at Sy Khasra No 364, 3317/365, 3318/365.</p> <p>2) Leasehold industrial property and building measuring 8059.30 sq. meters including additional constructions on 1st and 2nd floor at A2/2, UPSIDC Industrial area, Selaqui, Dehradun</p> <p>3) Industrial plot measuring 1800 sq. meter at 408, sector-8, IMT Manesar, Haryana.</p> <p><b>Additional charge-</b></p> <p>First pari passu charge over the other fixed assets other than land and building.</p> <p>Personal Guarantee of directors and their relatives is given.</p>
8	Cash Credit	Axis Bank	1,500	Bank Rate +1.75%	NA	NA	<p>First pari passu charge:-</p> <p><b>Primary:-</b></p> <p>1) Over the entire current assets of the company.</p> <p><b>Collateral :-</b></p> <p>1) Land measuring 17091.25 sq yards at 568/1, PMW Complex, Railway road, Gurgaon at Sy Khasra No 364, 3317/365, 3318/365.</p> <p>2) Leasehold industrial property and building measuring 8059.30 sq. meters including additional constructions on 1st and 2nd floor at A2/2, UPSIDC Industrial area, Selaqui, Dehradun</p> <p>3) Industrial plot measuring 1800 sq. meter at 408, sector-8, IMT Manesar, Haryana.</p> <p>4) Personal Guarantee of directors and their relatives is given.</p>
	Working Capital Demand Loan	Axis Bank		Bank Rate +1.5%	NA	NA	
	Buyers Credit	Axis Bank		LIBOR	NA	NA	
9	Cash Credit	Jammu & Kashmir Bank	1,500	Bank Rate +2.25%	NA	NA	<p>First pari passu charge:-</p> <p>Primary:-</p> <p>1) Over the entire current assets of the company.</p> <p>Collateral:-</p> <p>1) Land measuring 17091.25 sq. yards at 568/1, PMW Complex, Railway road, Gurgaon at Sy Khasra No 364, 3317/365, 3318/365.</p> <p>2) Leasehold industrial property and building measuring 8059.30 sq. meters including additional constructions on 1st and 2nd floor at A2/2, UPSIDC Industrial area, Selaqui, Dehradun</p> <p>3) Industrial plot measuring 1800 sq. meter at 408, sector-8, IMT Manesar, Haryana.</p> <p>4) Personal Guarantee of directors and their relatives is given.</p>

**ANNEXURE IX: STATEMENT OF OTHER LONG TERM LIABILITIES, AS RESTATED***(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Security deposits	275.31	205.10	118.49	78.95	105.22
Lease equalisation reserve	65.87	104.09	104.51	117.23	101.70
<b>Total</b>	<b>341.18</b>	<b>309.19</b>	<b>223.00</b>	<b>196.18</b>	<b>206.92</b>

**ANNEXURE X: STATEMENT OF PROVISIONS, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b><u>Long-term provisions:</u></b>					
Provision for employee benefits					
- Gratuity	176.27	118.74	107.14	93.52	85.75
- Compensated absences	46.68	31.15	31.12	35.17	27.96
	<b>222.95</b>	<b>149.89</b>	<b>138.26</b>	<b>128.69</b>	<b>113.71</b>
<b><u>Short-term provisions:</u></b>					
Provision for employee benefits					
- Gratuity	37.72	30.15	26.16	11.79	16.91
- Compensated absences	16.09	13.62	12.91	8.31	10.16
Other Provision					
-Provision for current tax (restatement impact)	-	-	0.53	1.12	10.66
-Provision for tax*	377.95	277.41	127.15	237.86	211.40
-Provision against sales return #	100.73	154.95	138.12	21.88	116.70
-Interim dividend on equity shares	-	-	46.94	-	-
-Provision for contingencies##	30.00	30.00	30.00	30.00	30.00
-Proposed dividend on equity shares	-	-	-	93.47	-
-Tax on proposed equity dividend on equity shares	-	31.77	-	15.16	-
	<b>562.49</b>	<b>537.90</b>	<b>381.81</b>	<b>419.59</b>	<b>395.83</b>
*Net of advance tax	697.71	383.76	1,534.79	947.90	735.88
<b># Movement of Provision against sales return margin</b>					
Provision at the beginning of the year	154.95	138.12	21.88	116.70	45.02
Add : Provided during the year	100.73	154.95	138.12	21.88	116.70
Less : Utilised / reversed during the year	154.95	138.12	21.88	116.70	45.02
<b>Provision at the end of the year</b>	<b>100.73</b>	<b>154.95</b>	<b>138.12</b>	<b>21.88</b>	<b>116.70</b>
<b>## Movement of Provision for contingencies</b>					
Provision at the beginning of the year	30.00	30.00	30.00	30.00	-
Add : Provided during the year	-	-	-	-	30.00
Less : Utilised during the year	-	-	-	-	-
<b>Provision at the end of the year</b>	<b>30.00</b>	<b>30.00</b>	<b>30.00</b>	<b>30.00</b>	<b>30.00</b>

**ANNEXURE XI: STATEMENT OF TRADE PAYABLE, AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Payable to:					
- Micro, small and medium enterprises *	-	-	-	-	-
- Others	1,072.27	1,262.00	994.23	883.65	900.50
	<b>1,072.27</b>	<b>1,262.00</b>	<b>994.23</b>	<b>883.65</b>	<b>900.50</b>

**Foot Notes :**

\* Based on the information available with the Company the balance outstanding to Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006

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\* Interest paid or payable under Micro, Small and Medium Enterprises Development Act, 2006.

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**ANNEXURE XII: STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Advances from customers	24.41	36.78	32.60	37.80	25.72
Current maturities of long-term debt					
- Term loans	141.62	-	-	19.49	103.34
- Vehicle loans	24.74	21.90	23.77	15.62	10.75
Lease equalisation reserve	17.88	24.50	21.89	3.07	2.60
Interest accrued but not due	0.53	0.37	0.36	-	-
Security deposits	16.50	10.50	10.50	18.69	-
Payable to employees	122.99	127.08	100.11	107.35	184.10
Statutory dues (Excise duty, tax deducted at source, provident fund, etc.)	165.03	113.79	109.37	280.17	446.66
<b>To related parties:</b>					
Numero Uno Brands Limited (wholly owned subsidiary)	-	-	-	5.23	-
<b>Total</b>	<b>513.70</b>	<b>334.92</b>	<b>298.60</b>	<b>487.42</b>	<b>773.17</b>

**ANNEXURE XIII: STATEMENT OF FIXED ASSETS, AS RESTATED**

*(Amounts in ₹ in lacs)*

**For The Year Ended 31 March 2015**

	Gross Block				Depreciation				Net Block
	As at 31 March 2014	Additions During the Year	Disposals/ adjustments	As at 31 March 2015	Up to 31 March 2014	Depreciation for the Year	In respect of disposals/adjust ments	Upto 31 March 2015	As at 31 March 2015
<b>Tangible assets</b>									
Land:									
- freehold*	48.01	83.25	-	131.26	-	-	-	-	131.26
- leasehold	10.96	-	-	10.96	1.27	0.12	-	1.39	9.57
Factory building	1,357.08	-	-	1,357.08	526.40	93.92	-	620.32	736.76
Building(shops) #	138.18	8.94	-	147.12	25.47	12.28	-	37.75	109.37
Leasehold improvements	714.06	223.77	66.92	870.91	483.43	94.12	48.09	529.46	341.45
Plant and machinery	1,132.39	12.62	12.18	1,132.83	564.92	136.80	7.87	693.85	438.98
Office equipment	205.36	64.26	0.30	269.32	137.12	56.16	0.04	193.24	76.08
Computer - hardware	139.68	12.08	0.30	151.46	106.28	26.86	0.30	132.84	18.62
Furniture and fittings	276.67	0.80	-	277.47	190.78	41.94	-	232.72	44.75
Vehicles	237.86	86.98	43.04	281.80	135.93	60.35	34.20	162.08	119.72
<b>Total tangible assets</b>	<b>4,260.25</b>	<b>492.70</b>	<b>122.74</b>	<b>4,630.21</b>	<b>2,171.60</b>	<b>522.55</b>	<b>90.50</b>	<b>2,603.65</b>	<b>2,026.56</b>
<b>Intangible assets</b>									
Computer - software	342.52	3.00	-	345.52	248.87	48.96	-	297.83	47.69
<b>Total intangible assets</b>	<b>342.52</b>	<b>3.00</b>	<b>-</b>	<b>345.52</b>	<b>248.87</b>	<b>48.96</b>	<b>-</b>	<b>297.83</b>	<b>47.69</b>
<b>Capital work in progress</b>									478.23
<b>Grand total</b>	<b>4,602.77</b>	<b>495.70</b>	<b>122.74</b>	<b>4,975.73</b>	<b>2,420.47</b>	<b>571.51</b>	<b>90.50</b>	<b>2,901.48</b>	<b>2,552.48</b>

\* Addition to land represent money paid to erstwhile owners of land due to increase in compensation for Land acquired from HSIIDC. (Refer note no. 1 of annexure XXXV).

# During the year ended on 31 March 2015, title of the property of shops has been transferred in the name of the Company.

For The Year Ended 31 March 2014

(Amounts in ₹ in lacs)

Asset description	Gross block				Depreciation/ Amortisation				Net block
	As at 31 March 2013	Additions During the year	Disposals/ adjustments	As at 31 March 2014	Upto 31 March 2013	Depreciation for the year	In respect of disposals/adjustments	Upto 31 March 2014	As at 31 March 2014
<b>Tangible assets</b>									
Land:									
- freehold	48.01	-	-	48.01	-	-	-	-	48.01
- leasehold	10.96	-	-	10.96	1.15	0.12	-	1.27	9.69
Factory building	1,357.08	-	-	1,357.08	433.60	92.80	-	526.40	830.68
Building(shops) #	138.18	-	-	138.18	12.95	12.52	-	25.47	112.71
Leasehold improvements	516.39	197.67	-	714.06	443.71	39.72	-	483.43	230.63
Plant and machinery	1,120.48	11.91	-	1,132.39	474.15	90.77	-	564.92	567.47
Office equipment	177.83	29.59	2.06	205.36	110.63	27.73	1.24	137.12	68.24
Computer - hardware	113.76	26.64	0.72	139.68	91.56	15.01	0.29	106.28	33.40
Furniture and fittings	274.10	2.57	-	276.67	172.11	18.67	-	190.78	85.89
Vehicles	243.67	17.44	23.25	237.86	115.50	35.47	15.04	135.93	101.93
<b>Total tangible assets</b>	<b>4,000.46</b>	<b>285.82</b>	<b>26.03</b>	<b>4,260.25</b>	<b>1,855.36</b>	<b>332.81</b>	<b>16.57</b>	<b>2,171.60</b>	<b>2,088.65</b>
<b>Intangible assets</b>									
Computer - software	268.15	74.37	-	342.52	205.02	43.85	-	248.87	93.65
<b>Total intangible assets</b>	<b>268.15</b>	<b>74.37</b>	<b>-</b>	<b>342.52</b>	<b>205.02</b>	<b>43.85</b>	<b>-</b>	<b>248.87</b>	<b>93.65</b>
<b>Capital work in progress</b>									42.09
<b>Grand total</b>	<b>4,268.61</b>	<b>360.19</b>	<b>26.03</b>	<b>4,602.77</b>	<b>2,060.38</b>	<b>376.66</b>	<b>16.57</b>	<b>2,420.47</b>	<b>2,224.39</b>

# Title of the property in shop was to be transferred in the name of the Company, which was transferred during the year ended on 31 March 2015



For The Year Ended 31 March 2013

(Amounts in ₹ in lacs)

Asset description	Gross block			Depreciation/ Amortisation				Net block	
	As at 31 March 2012	Additions	Disposals/ adjustments	As at 31 March 2013	Upto 31 March 2012	Depreciation for the year	In respect of disposals/adjustments	Upto 31 March 2013	As at 31 March 2013
<b>Tangible assets</b>									
Land:									
- freehold	48.01	-	-	48.01	-	-	-	-	48.01
- leasehold	10.96	-	-	10.96	1.03	0.12	-	1.15	9.81
Factory building	1,316.58	40.50	-	1,357.08	333.78	99.82	-	433.60	923.48
Building(shops) #	-	138.18	-	138.18	-	12.95	-	12.95	125.23
Leasehold improvements	499.75	16.64	-	516.39	367.04	76.67	-	443.71	72.68
Plant and machinery	1,047.21	92.52	19.25	1,120.48	384.35	95.26	5.46	474.15	646.33
Office equipment	165.17	16.81	4.15	177.83	85.02	27.77	2.16	110.63	67.20
Computer - hardware	103.54	10.50	0.28	113.76	76.73	15.02	0.19	91.56	22.20
Furniture and fittings	270.81	3.29	-	274.10	148.48	23.63	-	172.11	101.99
Vehicles	212.37	67.92	36.62	243.67	105.19	31.25	20.94	115.50	128.17
<b>Total tangible assets</b>	<b>3,674.40</b>	<b>386.36</b>	<b>60.30</b>	<b>4,000.46</b>	<b>1,501.62</b>	<b>382.49</b>	<b>28.75</b>	<b>1,855.36</b>	<b>2,145.10</b>
<b>Intangible assets</b>									
Computer - software	259.36	8.79	-	268.15	150.13	54.89	-	205.02	63.13
<b>Total intangible assets</b>	<b>259.36</b>	<b>8.79</b>	<b>-</b>	<b>268.15</b>	<b>150.13</b>	<b>54.89</b>	<b>-</b>	<b>205.02</b>	<b>63.13</b>
<b>Capital work in progress</b>									44.00
<b>Grand total</b>	<b>3,933.76</b>	<b>395.15</b>	<b>60.30</b>	<b>4,268.61</b>	<b>1,651.75</b>	<b>437.38</b>	<b>28.75</b>	<b>2,060.38</b>	<b>2,252.23</b>

# Title of the property in shop was to be transferred in the name of the Company, which was transferred during the year ended on 31 March 2015.

For The Year Ended 31 March 2012

(Amounts in ₹ in lacs)

Asset description	Gross block				Depreciation/ Amortisation				Net block
	As at 31 March 2011	Additions	Disposals/ adjustments	As at 31 March 2012	Upto 31 March 2011	Depreciation for the year	In respect of disposals/adjustments	Upto 31 March 2012	As at 31 March 2012
<b>Tangible assets</b>									
Land:									
- freehold	48.01	-	-	48.01	-	-	-	-	48.01
- leasehold	10.96	-	-	10.96	0.91	0.12	-	1.03	9.93
Factory building	1,006.51	310.07	-	1,316.58	250.57	83.21	-	333.78	982.80
Leasehold improvements	469.00	51.51	20.76	499.75	280.98	93.87	7.81	367.04	132.71
Plant and machinery	991.91	76.01	20.71	1,047.21	286.69	102.49	4.83	384.35	662.86
Office equipment	143.56	21.77	0.16	165.17	59.10	25.94	0.02	85.02	80.15
Computer - hardware	96.99	6.55	-	103.54	59.82	16.91	-	76.73	26.81
Furniture and fittings	249.79	21.56	0.54	270.81	122.67	26.06	0.25	148.48	122.33
Vehicles	197.77	18.33	3.73	212.37	70.94	36.39	2.14	105.19	107.18
<b>Total tangible assets</b>	<b>3,214.50</b>	<b>505.80</b>	<b>45.90</b>	<b>3,674.40</b>	<b>1,131.68</b>	<b>384.99</b>	<b>15.05</b>	<b>1,501.62</b>	<b>2,172.78</b>
<b>Intangible assets</b>									
Computer - software	165.78	93.58	-	259.36	87.78	62.35	-	150.13	109.23
<b>Total intangible assets</b>	<b>165.78</b>	<b>93.58</b>	<b>-</b>	<b>259.36</b>	<b>87.78</b>	<b>62.35</b>	<b>-</b>	<b>150.13</b>	<b>109.23</b>
<b>Capital work in progress</b>									29.79
<b>Grand total</b>	<b>3,380.28</b>	<b>599.38</b>	<b>45.90</b>	<b>3,933.76</b>	<b>1,219.46</b>	<b>447.34</b>	<b>15.05</b>	<b>1,651.75</b>	<b>2,311.80</b>

For The Year Ended 31 March 2011

(Amounts in ₹ in lacs)

Asset description	Gross block				Depreciation/ Amortisation				Net block
	As at 31 March 2010	Additions	Disposals/ adjustments	As at 31 March 2011	Upto 31 March 2010	Depreciation for the year	In respect of disposals/adjustments	Upto 31 March 2011	As at 31 March 2011
<b>Tangible assets</b>									
Land:									
- freehold	48.01	-	-	48.01	-	-	-	-	48.01
- leasehold	10.96	-	-	10.96	0.79	0.12	-	0.91	10.05
Factory building	929.11	77.40	-	1,006.51	170.85	79.72	-	250.57	755.94
Leasehold improvements	461.15	42.18	34.33	469.00	190.07	94.21	3.30	280.98	188.02
Plant and machinery	768.52	223.39	-	991.91	198.80	87.89	-	286.69	705.22
Office equipment	127.19	31.46	15.09	143.56	43.48	15.93	0.31	59.10	84.46
Computer - hardware	86.53	15.14	4.68	96.99	37.41	23.63	1.22	59.82	37.17
Furniture and fittings	215.88	73.24	39.33	249.79	87.33	35.69	0.35	122.67	127.12
Vehicles	241.22	44.66	88.11	197.77	74.37	45.40	48.83	70.94	126.83
<b>Total tangible assets</b>	<b>2,888.57</b>	<b>507.47</b>	<b>181.54</b>	<b>3,214.50</b>	<b>803.10</b>	<b>382.59</b>	<b>54.01</b>	<b>1,131.68</b>	<b>2,082.82</b>
<b>Intangible assets</b>									
Computer - software	149.32	18.15	1.69	165.78	37.23	50.61	0.06	87.78	78.00
<b>Total intangible assets</b>	<b>149.32</b>	<b>18.15</b>	<b>1.69</b>	<b>165.78</b>	<b>37.23</b>	<b>50.61</b>	<b>0.06</b>	<b>87.78</b>	<b>78.00</b>
<b>Capital work in progress</b>									50.19
<b>Grand total</b>	<b>3,037.89</b>	<b>525.62</b>	<b>183.23</b>	<b>3,380.28</b>	<b>840.33</b>	<b>433.20</b>	<b>54.07</b>	<b>1,219.46</b>	<b>2,211.01</b>

**ANNEXURE XIV: STATEMENT OF AGGREGATE BOOK VALUE AND MARKET VALUE OF NON-CURRENT INVESTMENTS, AS RESTATED**

*(Amounts in ₹ in lacs)*

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>In equity shares</b>					
<b>- Trade and unquoted</b>					
In subsidiary company					
Numero Uno Brands Limited *	704.99	704.99	704.99	704.99	704.99
(70.49 lacs equity share of ₹ 10 each fully paid up)					
Aggregate book value of unquoted investments	<b>704.99</b>	<b>704.99</b>	<b>704.99</b>	<b>704.99</b>	<b>704.99</b>

\* Refer note for respective years in Annexure XXXV.

**ANNEXURE XV: STATEMENT OF DEFERRED TAX ASSETS (NET), AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
<b>Deferred tax asset arising on account of</b>					
Excess of depreciation and amortisation provided in books over depreciation allowed under the Income Tax Act, 1961*	152.68	51.00	61.52	41.73	17.28
Deferred Tax Impact on restatement (Refer Note 5 of Annexure IV part A)	-	24.78	19.94	15.22	10.20
Provision for employee benefits	94.07	65.83	57.54	48.27	45.68
Lease equalization and other items allowable on payment basis	28.47	43.71	41.01	39.03	33.84
Provision for doubtful debts	52.95	48.37	32.72	26.02	11.43
Others	10.20	-	-	-	0.12
<b>Total</b>	<b>338.37</b>	<b>233.69</b>	<b>212.73</b>	<b>170.27</b>	<b>118.55</b>
<b>Deferred tax assets (Net), as restated</b>	<b>338.37</b>	<b>233.69</b>	<b>212.73</b>	<b>170.27</b>	<b>118.55</b>

\* Excluding deferred tax impact on restatements, which has been shown separately.

**ANNEXURE XVI: STATEMENT OF LOANS AND ADVANCES (LONG TERM AND SHORT TERM), AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	As at	As at	As at	As at	As at
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Loans and Advances</b>					
(A) Long-term loans and advances					
Unsecured and considered good					
To parties other than related:					
Capital advances	6.21	37.49	2.74	138.18	135.01
Security deposits	287.16	255.83	228.86	203.18	215.45
Prepaid expenses	0.44	0.47	0.65	0.37	0.35
Advance Income tax and wealth tax (net of provision for tax)*	10.32	1.44	0.40	0.40	-
To related parties:					
Security deposits					
- Narinder Singh Dhingra	24.00	24.00	24.00	24.00	24.00
- PMW Estate LLP	58.65	58.65	58.65	58.65	29.33
<b>Total (A)</b>	<b>386.78</b>	<b>377.88</b>	<b>315.30</b>	<b>424.78</b>	<b>404.14</b>
(B) Short-term loans and advances					
Unsecured and considered good					
To parties other than related:					
Value added tax and duty drawback recoverable	11.30	7.99	9.78	63.04	127.15
Prepaid expenses	82.71	38.00	34.75	27.95	17.08
Advances to vendors	69.54	47.44	19.05	48.47	40.31
Advances to employees	24.58	3.08	1.04	1.54	0.99
To related parties:					
Numero Uno Brands Limited	-	-	124.58	-	-
<b>Total (B)</b>	<b>188.13</b>	<b>96.51</b>	<b>189.20</b>	<b>141.00</b>	<b>185.53</b>
* Provision for Tax	648.17	934.40	-	0.82	-

**Amounts due from promoters / promoter group companies/ directors/ relatives of directors**

Name of entity	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Narinder Singh Dhingra	24.00	24.00	24.00	24.00	24.00
PMW Estate LLP	58.65	58.65	58.65	58.65	29.33
Numero Uno Brands Limited	-	-	124.58	-	-
<b>Total</b>	<b>82.65</b>	<b>82.65</b>	<b>207.23</b>	<b>82.65</b>	<b>53.33</b>

**ANNEXURE XVII: STATEMENT OF OTHER NON CURRENT ASSETS, AS RESTATED***(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Bank deposits (due to mature after 12 months from the reporting date)	15.30	24.25	22.43	20.37	18.04

## ANNEXURE XVIII: STATEMENT OF INVENTORIES, AS RESTATED

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
<b>Valued at the lower of cost and net realisable value</b>					
Raw materials	181.40	190.60	162.31	205.45	592.56
Accessories and consumables	216.24	236.36	184.44	286.94	358.78
Work - in- progress	142.17	143.19	125.61	104.49	548.48
Finished goods *	1,970.20	2,051.67	1,378.93	2,123.06	1,723.31
Stock- in- trade	866.01	797.55	1,027.75	633.47	79.92
Packing material	10.10	13.64	8.43	9.46	27.47
Fuel stock	2.01	13.46	16.25	13.28	6.27
	<b>3,388.13</b>	<b>3,446.47</b>	<b>2,903.72</b>	<b>3,376.15</b>	<b>3,336.79</b>
*including goods in transit	17.10	-	-	-	-

Refer Annexure XXIV-C for major breakup of inventories.



**ANNEXURE XIX: STATEMENT OF TRADE RECEIVABLES, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>Debts outstanding for a period exceeding six months from the date they become due for payment</b>					
Secured- considered good*	28.92	-	1.61	3.55	-
Unsecured- considered good	783.08	498.29	147.52	111.07	389.94
Unsecured- considered doubtful	155.78	142.32	100.86	80.21	35.21
Less: Provision for doubtful receivable #	(155.78)	(142.32)	(100.86)	(80.21)	(35.21)
<b>Other debts</b>					
Secured- considered good*	145.23	189.75	68.47	59.84	70.29
Unsecured- considered good	6,191.04	5,320.06	5,471.09	4,063.51	3,680.77
<b>Total</b>	<b>7,148.27</b>	<b>6,008.10</b>	<b>5,688.69</b>	<b>4,237.97</b>	<b>4,141.00</b>

\* Secured against security deposits received from the customers

# includes ₹ 43.94 lacs as at 31 March 2015, 31 March 2014 and 31 March 2013 relating to foreign debtors considered doubtful and in respect of which the Company has initiated process and it is under the approval from the Authorised Dealer.

**Amounts due from promoters / promoter group companies/ directors/ relatives of directors**

Name of entity	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Vardhman Creations	16.61	16.07	28.38	11.80	19.43

**ANNEXURE XX: STATEMENT OF CASH AND BANK BALANCES, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>Cash and cash equivalents</b>					
Cash in hand	4.03	7.62	2.66	1.53	0.48
Foreign currency in hand	0.30	0.33	0.15	-	-
Balances with banks					
-Current accounts	23.88	13.29	57.84	22.91	22.98
- Fixed deposit accounts with original maturity of three months or less	-	-	5.03	15.74	-
<b>Total - A</b>	<b>28.21</b>	<b>21.24</b>	<b>65.68</b>	<b>40.18</b>	<b>23.46</b>
<b>Other bank balance</b>					
- Bank deposits (more than 3 months and within 12 months)	11.73	-	12.87	-	-
<b>Total -B</b>	<b>11.73</b>	<b>-</b>	<b>12.87</b>	<b>-</b>	<b>-</b>
<b>Total - (A+B)</b>	<b>39.94</b>	<b>21.24</b>	<b>78.55</b>	<b>40.18</b>	<b>23.46</b>
<b>Detail of bank balances / deposits</b>					
Bank balance available on demand/ deposit with original maturity of 3 months or less included under cash and cash equivalent	-	-	5.03	15.74	-
Bank deposits due to mature in more than 3 months but within 12 months of the reporting date included under other bank balances *	11.73	-	12.87	-	-
Bank deposits due to mature after 12 months of the reporting date included under Other Non-Current Assets, as restated*	15.30	24.25	22.43	20.37	18.04
<b>Total</b>	<b>27.03</b>	<b>24.25</b>	<b>40.33</b>	<b>36.11</b>	<b>18.04</b>
<b>Foot notes :</b>					
* includes fixed deposits placed as security with government, bank and other authorities for sales tax and export related obligations.	<b>27.03</b>	<b>24.25</b>	<b>35.30</b>	<b>20.37</b>	<b>18.04</b>

**ANNEXURE XXI: STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED***(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Interest accrued on deposits and others	-	-	-	0.03	0.24

**ANNEXURE XXII: STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>Sale of products</b>					
-Finished goods	9,769.24	8,554.65	7,982.42	9,049.24	9,666.51
-Traded goods	5,283.25	4,769.29	4,766.81	2,378.36	316.50
-Fabric and accessories sale	29.79	73.15	580.27	10.62	-
<b>Sale of products ( gross)</b>	<b>15,082.28</b>	<b>13,397.09</b>	<b>13,329.50</b>	<b>11,438.22</b>	<b>9,983.01</b>
Less: Excise duty	-	-	247.22	543.02	177.32
<b>Sale of products (net) (A)</b>	<b>15,082.28</b>	<b>13,397.09</b>	<b>13,082.28</b>	<b>10,895.20</b>	<b>9,805.69</b>
<b>Other operating income</b>					
Utilisation reversal for provision for sales return	54.22	-	-	94.83	-
Job work income	1.43	137.48	0.48	9.98	14.50
Scrap sale	0.78	1.24	4.77	3.28	-
<b>Other operating income (B)</b>	<b>56.43</b>	<b>138.72</b>	<b>5.25</b>	<b>108.09</b>	<b>14.50</b>
<b>Revenue from operations (A+B)</b>	<b>15,138.71</b>	<b>13,535.81</b>	<b>13,087.53</b>	<b>11,003.29</b>	<b>9,820.19</b>
<b>Break-up of revenue from sale of products</b>					
-Manufactured: Garments	9,769.24	8,554.65	7,735.20	8,506.22	9,489.19
-Traded: Garments*	3,289.29	2,674.03	2,717.77	1,360.20	316.50
-Traded: Shoes*	1,993.96	2,095.26	2,049.04	1,018.15	-
-Fabric and accessories sale*	29.79	73.15	580.27	10.62	-
<b>Total</b>	<b>15,082.28</b>	<b>13,397.09</b>	<b>13,082.28</b>	<b>10,895.20</b>	<b>9,805.69</b>

\* Represents Company's products which are manufactured by third party manufacturers on principal to principal basis.

**ANNEXURE XXIII: STATEMENT OF OTHER INCOME, AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>	<b>Recurring / Non recurring Income</b>	<b>Related / Not related to business</b>
Duty drawback	0.31	0.09	-	0.43	17.24	Recurring	Related
Interest received on deposits with banks	2.19	2.46	5.40	1.76	1.44	Recurring	Related
Royalty	-	-	-	16.16	87.51	Non-Recurring	Related
Interest income on delayed payments	50.48	45.19	73.29	46.77	37.10	Recurring	Related
Cash discount received	36.97	28.25	28.90	9.16	33.51	Recurring	Related
Foreign exchange gain (net)	5.40	2.76	13.05	18.53	7.12	Recurring	Related
Liabilities no longer required written back	-	0.18	2.07	1.74	13.61	Recurring	Related
Miscellaneous income	1.74	0.01	0.66	1.48	2.91	Recurring	Related
<b>Total</b>	<b>97.09</b>	<b>78.94</b>	<b>123.37</b>	<b>96.03</b>	<b>200.44</b>		

Notes:

The classification of income as recurring/ non-recurring and related/ non-related to business activity is based on the current operations and business activity of the Company as determined by the management.

ANNEXURE XXIV-A: STATEMENT OF COST OF MATERIAL CONSUMED, AS RESTATED

(Amounts in ₹ in lacs)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
<b><u>Cost of material consumed:</u></b>					
Raw materials					
Inventory of materials at the beginning of the year	190.60	162.31	205.45	592.56	79.82
Add: Purchases	2,405.80	2,453.49	2,177.02	1,855.52	2,731.27
Less: Inventory adjustment on transfer of business	-	-	-	-	(74.31)
Inventory of materials at the end of the year	(181.40)	(190.60)	(162.31)	(205.45)	(592.56)
<b>Total</b>	<b>2,415.00</b>	<b>2,425.20</b>	<b>2,220.16</b>	<b>2,242.63</b>	<b>2,144.22</b>
Accessories and consumables					
Inventory of materials at the beginning of the year	236.36	184.44	286.94	358.78	172.14
Add: Purchases	1,010.82	1,170.12	787.98	810.29	1,058.51
Less: Inventory adjustment on transfer of business	-	-	-	-	(10.01)
Inventory of materials at the end of the year	(216.24)	(236.36)	(184.44)	(286.94)	(358.78)
<b>Total</b>	<b>1,030.94</b>	<b>1,118.20</b>	<b>890.48</b>	<b>882.13</b>	<b>861.86</b>
<b>Cost of material consumed</b>	<b>3,445.94</b>	<b>3,543.40</b>	<b>3,110.64</b>	<b>3,124.76</b>	<b>3,006.08</b>
<b><u>Break-up of materials consumed</u></b>					
Fabric	2,379.67	2,401.44	2,110.32	2,051.27	2,088.54
Knitted yarn	35.33	23.76	109.84	191.36	55.68
Accessories and consumables	1,030.94	1,118.20	890.48	882.13	861.86
<b>Total</b>	<b>3,445.94</b>	<b>3,543.40</b>	<b>3,110.64</b>	<b>3,124.76</b>	<b>3,006.08</b>

**ANNEXURE XXIV-B: STATEMENT OF PURCHASE OF STOCK IN TRADE, AS RESTATED**

*(Amounts in ₹ in lacs)*

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
<b><u>Purchase of stock-in-trade:</u></b>					
Readymade garments	1,801.98	1,876.24	1,561.65	995.19	1,132.35
Footwear	1,526.28	1,179.63	1,804.60	899.73	-
<b>Purchase of stock-in-trade</b>	<b>3,328.26</b>	<b>3,055.87</b>	<b>3,366.25</b>	<b>1,894.92</b>	<b>1,132.35</b>

**ANNEXURE XXIV-C: STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE, AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
<b>Changes In Inventories Of Finished Goods, Work-In-Progress And Stock In Trade, As Restated :</b>					
<b>Inventories at the end of the year</b>					
-Finished goods					
Manufacturing	1,970.20	2,051.67	1,378.93	2,123.06	1,723.31
Trading	866.01	797.55	1,027.75	633.47	79.92
-Work-in-progress	142.17	143.19	125.61	104.49	548.48
-Adjustment due to transfer of business	-	-	-	-	212.17
	<b>2,978.38</b>	<b>2,992.41</b>	<b>2,532.29</b>	<b>2,861.02</b>	<b>2,563.88</b>
<b>Inventories at the beginning of the year</b>					
-Finished goods					
Manufactured	2,051.67	1,378.93	2,123.06	1,723.31	1,834.61
Trading	797.55	1,027.75	633.47	79.92	-
-Work-in-progress	143.19	125.61	104.49	548.48	318.73
	<b>2,992.41</b>	<b>2,532.29</b>	<b>2,861.02</b>	<b>2,351.71</b>	<b>2,153.34</b>
<b>Movement in excise duty on finished goods</b>	-	-	(189.88)	102.83	171.76
<b>(Increase) / Decrease during the year</b>	<b>14.03</b>	<b>(460.12)</b>	<b>138.85</b>	<b>(406.48)</b>	<b>(238.78)</b>
<b>Break-up of inventories at the end of the year</b>					
<b>Manufactured</b>					
-Garments	1,970.20	2,051.67	1,378.93	2,123.06	1,723.31
<b>Trading</b>					
-Garments	561.13	502.99	285.63	374.79	77.05
-Shoes	304.88	294.56	648.97	252.87	-
-Others	-	-	93.15	5.81	2.87
<b>Work-in-progress</b>					
-Garments	142.17	143.19	125.61	104.49	548.48
<b>Adjustment due to transfer of business</b>					
-Garment	-	-	-	-	212.17
	<b>2,978.38</b>	<b>2,992.41</b>	<b>2,532.29</b>	<b>2,861.02</b>	<b>2,563.88</b>
<b>Break-up of inventories at the beginning of the year</b>					
<b>Manufactured</b>					
-Garments	2,051.67	1,378.93	2,123.06	1,723.31	1,790.35
<b>Trading</b>					
-Garments	502.99	285.63	374.79	77.05	-
-Shoes	294.56	648.97	252.87	-	-
-Others	-	93.15	5.81	2.87	44.26
<b>Work-in-progress</b>					
-Garments	143.19	125.61	104.49	548.48	318.73
	<b>2,992.41</b>	<b>2,532.29</b>	<b>2,861.02</b>	<b>2,351.71</b>	<b>2,153.34</b>



**ANNEXURE XXV: STATEMENT OF EMPLOYEE BENEFITS EXPENSES, AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
Salaries, wages and bonus	1,597.70	1,370.49	1,348.15	1,380.95	1,233.64
Contribution to provident and other funds	54.95	24.20	24.86	69.72	61.24
Staff welfare	18.85	16.80	10.91	13.22	16.61
	<b>1,671.50</b>	<b>1,411.49</b>	<b>1,383.92</b>	<b>1,463.89</b>	<b>1,311.49</b>

**ANNEXURE XXVI: STATEMENT OF FINANCE COST, AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
Interest on term loans	18.16	6.67	4.43	12.92	24.45
Interest on bank overdraft	333.85	346.07	393.86	320.17	166.54
Interest on security deposits	9.87	8.41	3.85	4.49	9.44
Interest on advance tax	31.06	31.43	16.18	22.32	19.30
Other financial charges	21.88	16.95	13.87	40.55	10.45
	<b>414.82</b>	<b>409.53</b>	<b>432.19</b>	<b>400.45</b>	<b>230.18</b>

**ANNEXURE XXVII: STATEMENT OF DEPRECIATION AND AMORTISATION, AS RESTATED***(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
Depreciation	522.55	332.81	382.49	384.99	382.59
Amortisation	48.96	43.85	54.89	62.35	50.61
	<b>571.51</b>	<b>376.66</b>	<b>437.38</b>	<b>447.34</b>	<b>433.20</b>

**ANNEXURE XXVIII: STATEMENT OF OTHER EXPENSES, AS RESTATED**
*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
Job charges	1,081.49	1,181.76	738.39	988.82	1,019.18
Packing material	45.43	40.45	29.66	49.52	71.11
Freight and cartage inward	25.74	16.95	15.91	16.92	19.54
Power and fuel	187.12	180.86	142.46	281.91	272.07
Rent	650.84	688.00	623.96	641.99	750.05
Rates and taxes	74.71	44.05	79.22	11.53	7.32
Insurance	19.97	17.24	15.83	13.84	12.05
Communication	41.02	35.19	29.79	25.42	27.02
Travelling and conveyance	181.71	139.00	122.84	66.88	80.37
Repairs and maintenance:					
-Plant and machinery	19.99	26.95	17.00	24.23	32.52
-Building	21.74	6.67	7.74	22.38	20.82
-Others	222.97	193.53	179.39	154.89	163.60
Legal and professional charges	136.68	102.34	103.27	115.47	69.36
Auditors remuneration*	15.81	15.30	12.08	11.74	11.89
Loss on sale of fixed assets	3.63	1.27	14.73	5.80	13.15
Bad debts written off	-	-	15.91	1.16	2.51
Provision for doubtful debt	13.46	41.46	44.06	45.00	16.51
Provision against sales return	-	16.82	116.25	-	71.68
Advertisement and business promotion	330.58	392.54	483.33	338.38	318.08
Commission and discount	73.07	122.21	32.11	29.79	69.95
Other selling expenses	167.39	130.81	118.29	152.22	136.86
Freight outward	87.32	70.73	51.71	39.24	45.23
Provision for contingencies	-	-	-	-	30.00
Printing and stationery	21.06	20.99	16.66	18.50	13.74
Electricity and water charges	45.40	23.85	13.91	8.39	7.50
Security Charges	39.59	33.28	28.76	34.82	36.26
Miscellaneous expenses	21.74	33.50	26.00	21.36	22.30
<b>Total</b>	<b>3,528.46</b>	<b>3,575.75</b>	<b>3,079.26</b>	<b>3,120.20</b>	<b>3,340.67</b>

Foot note:

 \*Additional disclosure  
relating to auditor's remuneration

As auditors

-Statutory audit	11.00	11.00	8.50	8.50	8.50
-Tax audit	2.00	2.00	1.50	1.50	1.50
Reimbursement of expenses including service tax	2.81	2.30	2.08	1.74	1.59
-Certification	-	-	-	-	0.30
<b>Total</b>	<b>15.81</b>	<b>15.30</b>	<b>12.08</b>	<b>11.74</b>	<b>11.89</b>

**ANNEXURE XXIX: STATEMENT OF ACCOUNTING RATIOS, AS RESTATED**

Particulars	As At				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>A</b> Net Worth, As restated (₹ in lacs)	9,775.77	8,410.18	7,524.16	6,895.46	6,335.18
<b>B</b> Net profit after tax and extraordinary items, as restated (₹ in lacs)	1,478.20	1,104.73	845.97	668.91	604.44
Weighted average number of equity shares outstanding during the year					
<b>C</b> For basic earnings per share*	46,734,020	46,734,020	46,734,020	46,734,020	46,734,020
<b>D</b> For diluted earnings per share*	46,734,020	46,734,020	46,734,020	46,734,020	46,734,020
<b>E</b> Number of shares outstanding at the end of the year*	46,734,020	46,734,020	46,734,020	46,734,020	46,734,020
<b>F</b> Restated basic earnings per share (B/C)	3.16	2.36	1.81	1.43	1.29
<b>G</b> Restated diluted earnings per share (B/D)	3.16	2.36	1.81	1.43	1.29
<b>H</b> Return on net worth (%) (B/A)	15.12%	13.14%	11.24%	9.70%	9.54%
<b>I</b> Net assets value per share of ₹10 each (A/E)	20.92	18.00	16.10	14.75	13.56
<b>J</b> Face value (₹)	10	10	10	10	10

Notes:

- The ratio has been computed as below

$$\text{Basic Earning Per Share} = \frac{\text{Net profit after tax and extraordinary items, as restated}}{\text{Weighted average number of equity shares outstanding during the years}}$$

$$\text{Diluted Earning Per Share} = \frac{\text{Net profit after tax and extraordinary items, as restated}}{\text{Weighted average number of equity shares outstanding during the years}}$$

$$\text{Return On Net Worth (\%)} = \frac{\text{Net profit after tax and extraordinary items, as restated}}{\text{Net worth as restated as at year end}}$$

$$\text{Net asset value per share (₹)} = \frac{\text{Net worth, as restated}}{\text{Number of equity shares as at year end}}$$

- Earning per shares (EPS) calculation is in accordance with the notified Accounting Standard 20 'Earnings per share'.
- The figures disclosed above are based on the Restated Summary Statements of the Company.
- There has been no revaluation reserve during any of the years

\*Including 37,387,216 equity shares of ₹ 10 each issued as bonus shares to the existing shareholders of the company in the ratio of 4 shares for every 1 share held.

**ANNEXURE XXX: CAPITALISATION STATEMENT AS AT 31 MARCH 2015, AS RESTATED**

*(Amounts in ₹ in lacs)*

Particulars	Pre Issue As at 31 March 2015	Post Issue
Borrowings :		
Short Term	2,178.42	
Long Term (A)	261.97	
<b>Total Borrowings (B)</b>	<b>2,440.39</b>	
Shareholders' Fund, As restated		
Share Capital	4,673.40	
Reserve and Surplus, As restated	5,102.37	
<b>Total Shareholders' Fund, As restated (C)</b>	<b>9,775.77</b>	
Long Term Borrowings / Equity Ratio (A/C)	2.68%	
<b>Total Borrowings / Equity Ratio (B/C)</b>	<b>24.96%</b>	

Notes:

1. The long term borrowings/equity ratio have been computed as under:  
Long term borrowings / total shareholders' Funds
2. The total borrowings/equity ratio have been computed as under:  
Total borrowings / Total Shareholders' Funds
3. Short term borrowings is considered as borrowing due within 12 months from the balance sheet date.
4. Long term borrowings is considered as borrowing other than short term borrowing, as defined above and also includes the current maturities of long term borrowings.
5. The figures disclosed above are based on the Restated Summary Statements of assets and liabilities of the Company.

**ANNEXURE XXXI: STATEMENT OF TAX SHELTER, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	For the Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Profit before tax, As restated (A)	2,261.28	1,702.17	1,262.41	1,054.24	930.59
Tax rate - statutory rate (B)	33.99%	33.99%	32.45%	32.45%	33.22%
Tax as per actual rate on profits (C = A*B )	768.61	578.57	409.65	342.10	309.14
Adjustments:					
<b>Permanent differences</b>					
Expenses incurred on increase of Authorised share capital	37.92	-	-	-	-
Interest	31.25	32.61	17.23	24.96	19.30
Others	1.33			31.37	12.01
<b>Total Permanent differences (D)</b>	<b>70.50</b>	<b>32.61</b>	<b>17.23</b>	<b>56.33</b>	<b>31.31</b>
<b>Timing difference</b>					
Excess of depreciation and amortisation provided in books over depreciation allowed under the Income Tax Act, 1961	226.25	(16.70)	75.52	90.84	83.90
Provision For retirement benefits	83.09	24.40	28.55	8.01	42.51
Lease equalization and other items allowable on payment basis	(44.84)	7.94	6.10	15.99	28.47
Provision for doubtful debts	13.46	46.04	20.65	45.00	12.70
Others	-	-	-	(0.36)	30.11
<b>Total Timing difference ( E)</b>	<b>277.96</b>	<b>61.68</b>	<b>130.82</b>	<b>159.48</b>	<b>197.69</b>
Total adjustments (F = D+E)	348.46	94.29	148.05	215.82	229.00
Tax on adjustments ( G=F*B)	118.44	32.05	48.03	70.02	76.07
Tax liability on restated profits (I=C+G)	887.05	610.62	457.68	412.12	385.21

Notes:

1. The permanent and timing differences for the year ended 31 March 2014, 2013, 2012 and 2011 have been computed based on the tax computations of Income-tax returns of the respective years.
2. Statutory tax rate includes applicable surcharge, education cess and higher education cess of the year concerned.

**ANNEXURE XXXII: STATEMENT OF DIVIDENDS DECLARED, AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
<b>Equity share capital</b>					
Issued number of shares of face of ₹10 each*	9,346,804	9,346,804	9,346,804	9,346,804	9,346,804
Rate of dividend (%)	10.00%	20.00%	20.00%	10.00%	0.00%
Amount of dividend	93.47	186.94	186.94	93.47	-
Total corporate dividend tax	19.14	31.77	30.33	15.16	-

\* Excluding 37,387,216 number of equity shares of ₹ 10 each issued as bonus shares to the existing shareholders of the Company in the ratio of 4 shares for every one share held post declaration of dividend.



**ANNEXURE XXXIII: STATEMENT OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS, AS RESTATED**

Information on related party disclosures as per Accounting Standard-18 on Related Party Disclosures is given below:

a) List of related parties

<b>Nature of related party relationship</b>	<b>31 March 2015</b>	<b>31 March 2014</b>	<b>31 March 2013</b>	<b>31 March 2012</b>	<b>31 March 2011</b>
<b>Ownership of more than half of the voting power</b>	Mr. Narinder Singh Dhingra	Mr. Narinder Singh Dhingra	Mr. Narinder Singh Dhingra	Mr. Narinder Singh Dhingra	Mr. Narinder Singh Dhingra
<b>Subsidiary Company</b>	Numero Uno Brands Limited	Numero Uno Brands Limited	Numero Uno Brands Limited	Numero Uno Brands Limited	Numero Uno Brands Limited
<b>Key managerial personnel</b>	Mr. Narinder Singh Dhingra, Chairman and Managing Director	Mr. Narinder Singh Dhingra, Chairman and Managing Director	Mr. Narinder Singh Dhingra, Chairman and Managing Director	Mr. Narinder Singh Dhingra, Chairman and Managing Director	Mr. Narinder Singh Dhingra, Chairman and Managing Director
	Mrs. Rohini Singh Dhingra, Executive Director	Mrs. Rohini Singh Dhingra, Executive Director	Mrs. Rohini Singh Dhingra, Executive Director	Mrs. Rohini Singh Dhingra, Executive Director	Mrs. Rohini Singh Dhingra, Executive Director
	Mr. Rajiv Jain, Chief Operating Officer	Mr. Rajiv Jain, Chief Operating Officer	Mr. Rajiv Jain, Chief Operating Officer	Mr. Rajiv Jain, Chief Operating Officer	Mr. Rajiv Jain, Chief Operating Officer
			Mr. Badal Chaudhry, Chief Executive Officer (upto 25 June 2012)	Mr. Badal Chaudhry, Chief Executive Officer	Mr. Badal Chaudhry, Chief Executive Officer
		Mr. Lalit Huria, Chief Finance Officer (till 11 Nov 2013)	Mr. Lalit Huria, Chief Finance Officer	Mr. Lalit Huria, Chief Finance Officer (from 6 May 2011)	
	Mr. Rajesh Mittal, Chief Finance Officer	Mr. Rajesh Mittal, Chief Finance Officer (with effect from 24 Oct 2013)			
<b>Relatives of key managerial personnel</b>	Mr. Iqbal Singh Dhingra	Mr. Iqbal Singh Dhingra	Mr. Iqbal Singh Dhingra	Mr. Iqbal Singh Dhingra	Mr. Iqbal Singh Dhingra
	Mrs. Manjit Kaur Dhingra (Director)	Mrs. Manjit Kaur Dhingra (Director)	Mrs. Manjit Kaur Dhingra (Director)	Mrs. Manjit Kaur Dhingra (Director)	Mrs. Manjit Kaur Dhingra (Director)
			Mrs. Mriganka Chaudhry	Mrs. Mriganka Chaudhry	Mrs. Mriganka Chaudhry

<b>Nature of related party relationship</b>	<b>31 March 2015</b>	<b>31 March 2014</b>	<b>31 March 2013</b>	<b>31 March 2012</b>	<b>31 March 2011</b>
		Mrs. Shraya Lata Huria	Mrs. Shraya Lata Huria	Mrs. Shraya Lata Huria	
	Mr. Shyam Mittal, Financial Analyst				
<b>Enterprise having significant influence</b>	AA Development Capital India Fund I, LLC	AA Development Capital India Fund I, LLC	AA Development Capital India Fund I, LLC	AA Development Capital India Fund I, LLC	AA Development Capital India Fund I, LLC
<b>Enterprises over which key managerial person or their relatives have significant influence</b>	PMW Estate LLP#	PMW Estate LLP#	PMW Estate LLP#	PMW Estate LLP#	PMW Estate LLP#
	W.G. Hospitality	W.G. Hospitality	W.G. Hospitality	W.G. Hospitality	W.G. Hospitality
		IFCA Bottling Co. Limited	IFCA Bottling Co. Limited	IFCA Bottling Co. Limited	IFCA Bottling Co. Limited
	Vardhman Creations	Vardhman Creations	Vardhman Creations	Vardhman Creations	Vardhman Creations

b) Transactions between the Group and related parties and the status of outstanding balances are as follows:

(Amounts in ₹ in lacs)

S.No	Transaction	Relation Ship	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>(i)</b>	<b>Rent paid</b>						
	Mr. Narinder Singh Dhingra	Key managerial personnel	88.99	88.99	88.99	79.42	79.42
	Mrs. Manjit Kaur Dhingra	Relatives of key managerial personnel	1.53	6.12	5.38	5.31	4.62
	PMW Estates LLP#	Enterprises where key managerial personnel and their relatives have significant influence	87.41	87.41	76.96	64.69	64.69
<b>(ii)</b>	<b>Remuneration paid (refer note below)</b>						
	Mr. Narinder Singh Dhingra	Key managerial personnel	84.00	79.20	79.20	72.00	72.00
	Mrs. Rohini Singh Dhingra	Key managerial personnel	67.81	61.64	61.64	56.04	56.04
	Mr. Iqbal Singh Dhingra	Relatives of key managerial personnel	14.11	12.83	11.88	8.76	5.76
	Mr. Rajiv Jain	Key managerial personnel	28.83	26.30	24.56	23.74	20.60
	Mr. Badal Chaudhry	Key managerial personnel	-	-	21.50	21.83	31.38
	Mr. Lalit Huria	Key managerial personnel	-	25.98	33.60	28.60	-
	Mr. Rajesh Mittal	Key managerial personnel	30.20	13.23	-	-	-
	Mr. Shyam Mittal	Relatives of key managerial personnel	5.34	-	-	-	-
<b>(iii)</b>	<b>Interest paid</b>						
	Mrs. Manjit Kaur Dhingra	Relatives of key managerial personnel	1.41	1.88	1.88	1.88	1.88
	IFCA Bottling Co. Limited	Enterprises where key managerial personnel and their relatives have significant influence	-	1.77	3.96	3.96	4.06

S.No	Transaction	Relation Ship	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>(iv)</b>	<b>Consultancy charges</b>						
	Mrs. Mriganka Chaudhry	Key managerial personnel	-	-	3.58	8.82	8.82
	Mrs. Sharya Lata Huria	Key managerial personnel	-	3.29	5.28	4.32	-
<b>(v)</b>	<b>Expenses reimbursed</b>						
	W.G. Hospitality	Enterprises where key managerial personnel and their relatives have significant influence	5.34	0.96	6.58	1.16	2.02
	Numero Uno Brands Limited	Subsidiary company	0.28	-	-	93.77	-
<b>(vi)</b>	<b>Sale of finished goods/ raw materials/Job work</b>						
	Mr. Narinder Singh Dhingra	Key managerial personnel	0.59	0.26	0.40	0.13	0.45
	Mrs. Rohini Singh Dhingra	Key managerial personnel	-	0.06	0.10	0.09	-
	Mr. Iqbal Singh Dhingra	Relatives of key managerial personnel	0.43	0.38	0.15	0.18	-
	Vardhman Creations	Enterprises where key managerial personnel and their relatives have significant influence	177.48	127.46	171.48	131.98	164.86
	Numero Uno Brands Limited	Subsidiary company	129.74	151.29	14.90	4.19	-
<b>(vii)</b>	<b>Purchase of Finished goods and raw material</b>						
	Numero Uno Brands Limited	Subsidiary company	86.55	30.99	-	301.76	-
<b>(viii)</b>	<b>Purchase Return of Finished goods and raw material</b>						
	Numero Uno Brands Limited	Subsidiary company	-	-	104.76	-	-
<b>(ix)</b>	<b>Security deposit given against rent</b>						
	PMW Estates LLP#	Enterprises where key managerial personnel and their relatives have	-	-	-	29.33	29.33

S.No	Transaction	Relation Ship	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
		significant influence					
<b>(x)</b>	<b>Equity shares in subsidiary company</b>						
	Shares Subscribed in cash : Numero Uno Brands Limited	Subsidiary company	-	-	-	-	4.99
	Issue of shares by subsidiary for purchase consideration :Numero Uno Brands Limited	Subsidiary company	-	-	-	-	700.00
<b>(x)</b>	<b>Loan Repaid</b>						
	IFCA Bottling Limited	Enterprises where key managerial personnel and their relatives have significant influence	-	33.00	-	-	2.00
	Mrs. Manjit Kaur Dhingra	Relatives of key managerial personnel	15.65	-	-	-	-
<b>(xi)</b>	<b>Payment made on behalf of</b>						
	Numero Uno brands limited	Subsidiary company	3.18	0.43	-	93.16	-
<b>(xii)</b>	<b>Payment received on behalf of</b>						
	Numero Uno brands limited	Subsidiary company	40.57	25.57	48.82	90.85	-
	<b>Balance outstanding as at the year end</b>						
	<b>Security deposit against Rent</b>						
	Mr. Narinder Singh Dhingra	Key managerial personnel	24.00	24.00	24.00	24.00	24.00
	PMW Estate LLP#	Enterprises where key managerial personnel and their relatives have significant influence	58.65	58.65	58.65	58.65	29.33
	<b>Investments</b>						
	Numero Uno Brands Limited	Subsidiary company	704.99	704.99	704.99	704.99	704.99

S.No	Transaction	Relation Ship	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Unsecured Loan taken</b>							
	Ms. Manjit Kaur Dhingra	Relatives of key managerial personnel	-	15.65	15.65	15.65	15.65
	IFCA Bottling Co. Limited	Enterprises where key managerial personnel and their relatives have significant influence	-	-	33.00	33.00	33.00
<b>Salary Payable</b>							
	Mr. Narinder Singh Dhingra	Key managerial personnel	3.01	3.09	3.04	3.00	3.78
	Mrs. Rohini Singh Dhingra	Key managerial personnel	3.95	3.84	3.64	4.37	3.69
	Mr. Iqbal Singh Dhingra	Relatives of key managerial personnel	0.97	0.97	0.84	0.54	0.44
	Mr. Rajiv Jain	Key managerial personnel	1.69	1.42	1.40	1.47	1.14
	Mr. Badal Chaudhry	Key managerial personnel	-	-	-	1.28	1.34
	Mr. Lalit Huria	Key managerial personnel	-	-	1.68	5.44	-
	Mr. Rajesh Mittal	Key managerial personnel	2.20	2.56	-	-	-
	Mr. Shyam Mittal	Relatives of key managerial personnel	0.75	-	-	-	-
<b>Payable including other current liabilities</b>							
	Mrs. Mriganka Chaudhry	Key managerial personnel	-	-	-	0.66	0.66
	Mrs. Shraya Lata Huria	Key managerial personnel	-	-	0.40	0.36	-
	Numero Uno brands Limited	Subsidiary company	69.33	-	-	5.23	-

S.No	Transaction	Relation Ship	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
	<b>Receivable including short term loans and advances</b>						
	Numero Uno brands Limited	Subsidiary company	-	-	124.58	-	-
	Vardhman Creations	Enterprises where key managerial personnel and their relatives have significant influence	16.61	16.07	28.38	11.80	19.43

# PMW Estates LLP was formerly known as Precision Metal Works Private Limited

Note:

1. Term loans and working capital facilities availed by the Company from banks are covered by personal guarantees of two Directors and their relatives.
2. Remuneration paid does not include expense in respect of gratuity and compensated absences as the same is determined on an actuarial basis for the Company as a whole.
3. The Company had formed an Employee Stock Option Plan (ESOP) trust in the name of NUCL Employee Welfare Trust (the "Trust") during year ended 31 March 2009. Directors of the Company are trustee of the trust. The shares held by the Trust in 31st March 2015: 1,040,000 \*, 31st March 2014 : 208,000 , 31st March 2013 : 208,000 , 31st March 2012 : 208,000 and 31st March 2011 : 208,000.

\* Including effect of bonus shares issued during the year.

## ANNEXURE XXXIV: STATEMENT OF SEGMENT REPORTING, AS RESTATED

The company is primarily engaged in the manufacture and sale of garments and accessories comprising a single business segment. Accordingly, the disclosure relating to primary segment reporting is not considered necessary.

### Disclosure on Secondary geographical segment:

*Applicable only for the year ended 31 March 2011 and 31 March 2012.*

#### *For the year ended 31 March 2012*

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>India</b>	<b>Outside India</b>	<b>Total</b>
Revenue, net of excise duty and other operating income	10,335.61	667.68	11,003.29
Carrying amount of Segment Assets	10,552.28	-	10,552.28
Capital Expenditure	578.98	-	578.98

#### *For the year ended 31 March 2011*

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>India</b>	<b>Outside India</b>	<b>Total</b>
Revenue, net of excise duty and other operating income	9,417.49	402.70	9,820.19
Carrying amount of Segment Assets	10,320.21	-	10,320.21
Capital Expenditure	540.31	-	540.31



**ANNEXURE XXXV: NOTES TO SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED (ANNEXURE I) AND SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED (ANNEXURE II) (CONTINUED)**

**1. Contingent liabilities, capital commitments and claims against the Company not acknowledged as debt**

(₹ in lacs)

Particulars	As at				
	31 March 15	31 March 14	31 March 13	31 March 12	31 March 11
<b>a. Contingent liability*</b>					
- Value added tax	46.57	46.57	46.57	-	-
- Other claims against the Company not acknowledged as debt	27.20	27.20	27.20	45.14	45.14
<b>b. Capital commitment</b>					
Amounts of contracts remaining to be executed on capital account (net of advances)	23.59	19.35	15.54	-	6.38
<b>c. Other Commitments</b>					
Export obligation of under Export Promotion Capital Goods (EPCG) Scheme	46.47	17.73	40.54	40.54	-

\*Further, the Company has purchased land from state government, Haryana State Industrial Development Corporation ( 'HSIDC' ) in year earlier than 31 March 2011. As per the agreement, the Company may be required to pay additional consideration which is dependent upon the outcome of the future settlements with the erstwhile owners of the land. During the current year, the Company has capitalized ₹83.25 lacs towards this additional consideration as cost of freehold land.

**2. CIF value of imports, Expenditure in foreign currency, Value of imported and indigenous raw materials and accessories consumed, Operating lease and Foreign currency exposure.**

**(a) CIF Value of Imports:**

(₹ in lacs)

Particulars	For the year ended				
	31 March 15	31 March 14	31 March 13	31 March 12	31 March 11
Raw material	-	-	-	11.16	37.23
<b>Traded Goods</b>					
-Garment	55.41	-	248.82	73.85	86.12
-Shoes	197.57	154.29	1,426.37	112.30	-
-Samples	15.31	11.36	6.68	10.96	11.52
Accessories	-	-	-	97.66	78.97
Tangible fixed assets	97.17	-	77.77	48.72	61.86
	<b>365.47</b>	<b>165.65</b>	<b>1,759.64</b>	<b>354.64</b>	<b>275.69</b>

**(b) Expenditure in foreign currency:**

Particulars	For the year ended				
	31 March 15	31 March 14	31 March 13	31 March 12	31 March 11
Foreign travelling	43.84	20.91	8.10	7.52	16.44
Business promotion	-	0.45	9.88	3.46	0.91
Design & Consultancy charges	9.41	2.94	12.56	10.55	8.66
Machinery repair and maintenance	0.48	1.30	-	0.76	0.76
	<b>53.73</b>	<b>25.61</b>	<b>30.54</b>	<b>22.29</b>	<b>26.78</b>

(c) **Value of imported and indigenous raw material and accessories consumed:**

Particulars	For the year ended				
	31 March 15	31 March 14	31 March 13	31 March 12	31 March 11
Indigenous	3,442.26	3,533.53	3,101.83	3,039.88	2,901.48
Imported	3.69	9.87	8.81	84.88	104.61
	<b>3,445.95</b>	<b>3,543.40</b>	<b>3,110.64</b>	<b>3,124.76</b>	<b>3,006.09</b>
Indigenous	99.89%	99.72%	99.72%	97.28%	96.52%
Imported	0.11%	0.28%	0.28%	2.72%	3.48%
	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

(d) **Operating lease:**

The Company has taken various premises on operating lease. The lease agreements generally have a lock-in-period as below and are cancellable at the option of the lessee thereafter. Majority of the leases have escalation terms after certain years and are extendable by mutual consent on expiry of the total term of lease.

Particulars	31 March 15	31 March 14	31 March 13	31 March 12	31 March 11
Lock in period	One to three years	One to three years	One to two years	One to two years	One to two years
The minimum lease rentals payable on long term leases are as under:					
Within one year	61.66	59.09	50.60	339.19	424.33
Later than one year but not more than five year	29.93	47.03	9.06	1,154.21	1,594.27
More than five years	-	-	-	343.42	730.33
<b>Total</b>	<b>91.59</b>	<b>106.12</b>	<b>59.66</b>	<b>1,836.82</b>	<b>2,748.93</b>

(e) **Foreign currency exposure:**

The Company's net foreign currency exposure in receivables and payables that are not hedged by any derivative instrument or otherwise, is as under:

Particulars	31 March 15	31 March 14	31 March 13	31 March 12	31 March 11
Receivable in GBP	-	0.79	-	-	-
Payable in GBP	0.82	-	-	0.79	3.06
Payable in USD	-	-	0.05	-	-
INR	51.54	56.52	2.51	56.52	223.28
<b>Foreign currency in hand</b>					
USD	0.00	0.01	0.00	-	-
INR	0.30	0.33	0.15	-	-

**3. Other significant notes**

- (a) During the financial year 2010-11, the Company had entered into a Brand Licensing Agreement with a party, being the brand owner, for manufacturing and sale of certain branded items in India. On the basis of the agreement, an amount of ₹ 192.81 lacs was payable by the Company to the brand owner as royalty for past years as at 31 March 2012. The Company and the brand owner had referred to the arbitrator as the amount came under a dispute. During 2012-13, the Company has entered into an agreement with the brand owner for a full and final settlement of the disputed royalty at an amount of ₹ 389.44 lacs. Out of this, the Company had paid an amount of ₹ 79.19 lacs to the brand owner. The Company has an undertaking from its promoter that in case of any loss to the Company due to the Brand Licensing Agreement, the promoter shall meet the shortfall. The Company has accordingly paid ₹ 130.25 lacs in the year 2012-13 and ₹120 lacs in the year 2013-14 to the brand owner and received reimbursement of the same from the promoter in respective year. The balance amount of ₹ 60 lacs is paid by the Company and reimbursed by the promoter to the Company during the year ended 31 March 2015. There is no outstanding balance as on 31 March 2015.
- (b) The Company has recoverable balance from certain customers amounting to ₹ 687.37 lacs and ₹777.14 lacs as at 31 March 2015 and 31 March 2014 respectively. The balance excludes any interest on delayed payment which is generally levied by the Company as per

its contractual terms and recognized when it is not unreasonable to expect the ultimate collection by the Company. As a consequence of certain disputes, the Company has discontinued its business with the customer and has initiated steps (including legal recourse wherever considered necessary) to recover the outstanding balance. As per the facts/ circumstances of the case and legal wherever applicable, the management believes that there exists favorable chances of recovering atleast the outstanding balance (excluding interest thereon) and therefore, no provision has been made in the financial statements.

- (c) As per the requirements of sub section (5) of section 135 of the Companies Act, 2013 the Company was required to spend at least two per cent of its average net profits for the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility (CSR) Policy. Accordingly, the Company had to spend a minimum of ₹ 27.60 lacs during the current financial year towards CSR activities. During the current year, the Company has adopted a strategy whereby certain long term programme will be undertaken by the Company for the social and economic welfare of villages. As the process of evaluating and identifying specific programme is in progress, no amount was incurred on CSR during the year ended 31 March 2015.

#### 4. Employee benefit plan:

The Company operates a gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Company at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the Company whichever is earlier. However the condition of completion of 5 years of service is not applicable where separation is on account of disability or death of an employee. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972".

Particulars	Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Changes in the present value of defined benefit obligation</b>					
Defined benefit obligation as at the beginning of the years	148.89	133.30	105.30	102.66	66.12
Service cost	30.83	20.17	19.51	16.98	40.67
Interest cost	13.55	10.66	9.05	8.21	5.02
Actuarial loss/(gain)	27.09	(14.06)	18.96	(15.49)	(4.33)
Benefits paid	(6.38)	(1.19)	(19.53)	(7.05)	(1.10)
Adjustment on transfer of business	-	-	-	-	(3.73)
<b>Defined benefit obligation as at the end of the years</b>	<b>213.98</b>	<b>148.88</b>	<b>133.29</b>	<b>105.31</b>	<b>102.65</b>
<b>Expense/ (Income) recognized in the Profit and Loss Account</b>					
Service cost	30.83	20.17	19.51	16.97	40.67
Interest cost on benefit obligation	13.55	10.66	9.05	8.21	5.02
Net actuarial (gain)/loss recognised in the years	27.09	(14.06)	18.96	(15.49)	(4.33)
<b>Net gratuity cost</b>	<b>71.47</b>	<b>16.77</b>	<b>47.52</b>	<b>9.69</b>	<b>41.36</b>
<b>Assumptions</b>					
Discount rate	7.8%	9.10%	8.00%	8.00%	8.00%
Long term rate of compensation increase	10.00%	8.00%	8.00%	7.50%	7.50%
<b>Experience adjustments</b>					
Present Value of Obligation	213.99	148.89	133.31	105.31	106.40
Experience adjustments on plan liabilities-Gain/(Loss)	2.76	5.71	2.05	(5.58)	26.94

**RESTATED CONSOLIDATED FINANCIAL STATEMENTS**

**Report of the Auditors on the Restated Consolidated Financial Information of Numero Uno Clothing Limited as at and for each of the years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011.**

The Board of Directors  
Numero Uno Clothing Limited  
568/1 PMW Complex,  
Railway Road  
Gurgaon, Haryana- 122001

Dear Sirs,

- 1) We have examined the attached Restated Consolidated Financial Information comprising summary of summary of consolidated statement of assets and liabilities, as restated; consolidated statement of profit and loss, as restated; consolidated statement of cash flows, as restated; and other consolidated financial information as explained in paragraph 3 (f) below of Numero Uno Clothing Limited (the “**Company**”) and its subsidiary Numero Uno Brands Limited (collectively referred to as the ‘**Group**’), as at and for the financial years ended 31 March 2011; 31 March 2012; 31 March 2013, 31 March 2014 and 31 March 2015, together with the annexures and notes thereto, as approved by the Board of Directors of the Company, prepared in terms of requirements of Section 26 of the Companies Act, 2013 (‘**the Act**’) read with The Companies (Prospectus and Allotment of Securities Rules, 2014, to the extent applicable, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (‘**SEBI Regulations**’), the ‘Guidance Note on ‘Reports in Company’s Prospectus (Revised)’ issued by the Institute of Chartered Accountants of India (‘ICAI’) to the extent applicable (‘**Guidance Note**’) and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 17 April 2015, in connection with the proposed issue of Equity Shares of the Company by way of fresh issue and/ or offer for sale by the existing shareholders (‘**Issue**’).
- 2) The above consolidated financial information has been extracted by the management from the audited consolidated financial statements of the Group as at and for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015. For the purposes of Restated Consolidated Financial Information of the Group, the subsidiary has been consolidated from the date it became the subsidiary the Company.

The financial statements of Numero Uno Clothing Limited for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013 and 31 March 2014 were audited by B S R & Company, Chartered Accountants, member entities of B S R & Associates, a network registered with the Institute of Chartered Accountants of India, whose reports thereon have been furnished to us, and accordingly, reliance has been placed on the financial statements audited by them.

Further, we have not audited the financial statements of subsidiary (Numero Uno Brands Limited) for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 which was audited by other auditor and, accordingly, reliance has been placed on the financial statements audited by them.

Name of the Subsidiary	Year ended (YE)	Total assets as included in consolidated financial information	Net movement in cash and cash equivalents included in consolidated financial information	Total revenue as included in consolidated financial information	Name of the auditors
		(₹ lacs)	(₹ lacs)	(₹ lacs)	
Numero Uno Brands Limited	YE 31 March 2011	584.77	5.00	-	S.R. Dinodia & Co., Chartered Accountants
	YE 31 March 2012	263.64	(2.72)	19.65	S.R. Dinodia & Co., Chartered Accountants
	YE 31 March 2013	295.98	0.73	38.69	S.R. Dinodia & Co., Chartered Accountants
	YE 31 March 2014	337.82	42.92	475.03	S.R. Dinodia & Co. LLP, Chartered Accountants
	YE 31 March 2015	248.69	(43.62)	195.52	S.R. Dinodia & Co. LLP, Chartered Accountants

Further, Numero Uno Clothing Limited represents the balance of total assets, net movement in cash and cash equivalents and total revenue included in consolidated financial information for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013 and 31 March 2014 were audited by B S R & Company, Chartered Accountants, member entities of B S R & Associates, a network, registered with the Institute of Chartered Accountants of India, whose reports thereon have been furnished to us, and accordingly, reliance has been placed on the financial statements audited by them.

- 3) In accordance with the requirements of Section 26 of the Act; SEBI Regulations; and the Guidance note on report in Company Prospectuses (Revised) issued in this regard by the Institute of Chartered Accountants of India (ICAI), as amended from time to time and in terms of our engagement agreed with you, we report that:
- (a) We have examined the attached Summary of Consolidated Statement of Assets And Liabilities, as restated, of the Group as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as set out in **Annexure I** to consolidated financial information read with significant accounting policies in **Annexure V**. These are after making adjustments, as in our opinion, were appropriate and more fully described in the notes appearing in **Annexure IV (Part A)** to consolidated financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company and its subsidiary for the relevant financial years.
  - (b) We have examined the attached Summary of Consolidated Statement of Profit and Loss, as restated, of the Group for financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 as set out in **Annexure II** to consolidated financial information. These are after making adjustments, as in our opinion, were appropriate and more fully described in the notes appearing in **Annexure IV (Part A)** to consolidated financial information. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company and its subsidiary for the relevant financial years.
  - (c) We have examined the attached consolidated statement of cash flows, as restated, of the Group for financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as set out in **Annexure III** to consolidated financial information. These are after making adjustments, as in our opinion, were appropriate and more fully described in the notes appearing in **Annexure IV (Part A)** to consolidated financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company and its subsidiary for the relevant financial years.
  - (d) For our examination of the consolidated financial information, we have relied on the financial statements of the Company and its subsidiary listed in para 2 above, which were audited by the respective auditors, and whose audit reports have been furnished to us and our opinion in so far as it relates to the amounts included in these summary of consolidated statement of profit and loss, as restated, summary of consolidated statement of assets and liabilities, as restated, and consolidated statement of cash flows, as restated, are based solely on the audit reports of such auditors.
  - (e) Based on the above, in respect of the Company's subsidiary for the respective years, we confirm that the restated consolidated financial information, prepared by the management of the Company and approved by its Board of Directors, has been made after incorporating the following:
    - i. adjustments 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 years;
    - ii. material amounts relating to previous years have been adjusted in the restated consolidated financial information in the respective financial years to which they relate;
    - iii. qualifications in the auditor's report which require adjustments have been given effect to in the restated consolidated financial information in the respective financial years, except for other audit qualifications and emphasis of matter paragraph in the auditor's reports (including annexure to the auditor's report of the Company and its subsidiary) as disclosed in Note 1 of Annexure IV (**Part B**)
    - iv. there are no extraordinary items, which need to be disclosed separately in the restated consolidated financial information in the respective financial years.
  - (f) We have also examined the following other consolidated financial information set out in Annexures prepared by the management and approved by the Board of Directors relating to the Group for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015. The financial statements of Company and its subsidiary audited by other auditors for the respective years (as stated in paragraph 2 above) have been relied upon by us.

- i. Consolidated Statement of Share Capital, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure VI** to the financial information;
- ii. Consolidated Statement of Reserve and Surplus, as restated, 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure VII** to the financial information;
- iii. Consolidated Statement of Long Term Borrowings and Short Term Borrowings, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 and statement of details of terms and conditions, including interest rates, principal terms of securities, repayment and prepayment terms of the long term and short term borrowings outstanding as at 31 March 2015, as appearing in **Annexure VIII A; Annexure VIII B and Annexure VIII C** to the financial information;
- iv. Consolidated Statement of Other Long Term Liabilities, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure IX** to the financial information;
- v. Consolidated Statement of Provisions, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure X** to the financial information;
- vi. Consolidated Statement of Trade Payables, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XI** to the financial information;
- vii. Consolidated Statement of Other Current Liabilities, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XII** to the financial information;
- viii. Consolidated Statement of Fixed Assets, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XIII** to the financial information;
- ix. Consolidated Statement of Deferred Tax Assets (Net), as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XIV** to the financial information;
- x. Consolidated Statement of Loans and Advances, (long term and short term), as restated, , as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 as appearing in **Annexure XV** to the financial information;
- xi. Consolidated Statement of Other Non Current Assets, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XVI** to the financial information;
- xii. Consolidated Statement of Inventories, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XVII** to the financial information;
- xiii. Consolidated Statement of Trade Receivables, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XVIII** to the financial information;
- xiv. Consolidated Statement of Cash and Bank Balances, as restated, as at, 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XIX** to the financial information;
- xv. Consolidated Statement of Other Current Assets, as restated, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XX** to the financial information;
- xvi. Consolidated Statement of Revenue From Operations, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXI** to the financial information;
- xvii. Consolidated Statement of Other Income, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXII** to the financial information;
- xviii. Consolidated Statement of Cost of Material Consumed, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXIII-A** to the financial information;

- xix. Consolidated Statement of Purchase of Stock in Trade, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXIII-B** to the financial information;
  - xx. Consolidated Statement of Changes in Inventories of Finished Goods, Work-in -Progress and stock-in-trade, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXIII-C** to the financial information;
  - xxi. Consolidated Statement of Employee Benefit Expenses, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXIV** to the financial information;
  - xxii. Consolidated Statement of Finance Cost, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXV** to the financial information;
  - xxiii. Consolidated Statement of Depreciation and Amortization, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXVI** to the financial information;
  - xxiv. Consolidated Statement of Other Expenses, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXVII** to the financial information;
  - xxv. Consolidated Statement of Accounting Ratios, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 as appearing in **Annexure XXVIII** to the financial information;
  - xxvi. Consolidated Capitalization Statement, as restated, as at 31 March 2015, as appearing in **Annexure XXIX** to the financial information;
  - xxvii. Consolidated Statement of Tax Shelter, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 as appearing in **Annexure XXX** to the financial information;
  - xxviii. Consolidated Statement of Dividends declared, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXXI** to the financial information;
  - xxix. Consolidated Statement of Related Parties and Related Party Transactions, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, , as appearing in **Annexure XXXII** to the financial information;
  - xxx. Consolidated Statement of Segment reporting, as restated, for the financial year ended 31 March 2012, as appearing in **Annexure XXXIII** to the financial information; and
  - xxxi. Other significant notes to summary statement of consolidated assets and liabilities and summary statement of consolidated profit and loss, as restated, for the financial years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as appearing in **Annexure XXXIV** to the financial information;
- 4) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as an opinion on any of the financial statements referred to herein.
  - 5) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  - 6) In our opinion, the above consolidated financial information of the Company, along with its subsidiary read with significant accounting policies appearing in **Annexure III** to consolidated financial information, after making adjustments as considered appropriate and subject to, as set out in para 3(e) above, and as stated in Annexure IV -A to consolidated financial information, has been prepared in accordance with Section 26 of the Act, to the extent applicable, the SEBI Regulations, as amended from time to time, the Guidance note and in terms of our engagement as agreed with you.

- 7) Our report is intended solely for the use of management and for inclusion in the Draft Red Herring Prospectus (DRHP) in connection with the proposed issue of Equity Shares of the Company by way of fresh issue and/ or offer for sale by the existing shareholders and is not to be used, referred to or distributed for any other purpose without our written consent.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm Registration No: 101248W/W-100022

**Pravin Tulsyan**

*Partner*

Membership No.: 108044

Place: Gurgaon

Date: 27 April 2015



**ANNEXURE I: SUMMARY OF CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	Annexure	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>(1) Equity and Liabilities</b>						
<b>Shareholders' funds</b>						
(a) Share capital	VI	4,673.40	934.68	934.68	934.68	934.68
(b) Reserves and surplus	VII					
- Securities premium		-	3,133.00	3,133.00	3,133.00	3,133.00
- General reserve		-	147.92	64.28	-	-
- Surplus in statement of profit and loss, as restated		4,704.04	3,795.99	2,845.11	2,313.91	2,137.26
<b>(2) Minority interest *</b>		0.00	0.00	0.00	0.00	0.01
<b>(3) Non-current liabilities</b>						
Long-term borrowings	VIII-A	95.61	18.84	37.46	9.46	35.80
Other long-term liabilities	IX	341.18	309.19	223.00	196.18	206.92
Long-term provisions	X	222.95	149.89	138.26	128.69	113.71
<b>(4) Current liabilities</b>						
Short-term borrowings	VIII-B	2,178.42	2,114.60	2,780.32	2,417.09	2,382.64
Trade payables	XI	1,004.88	1,283.00	996.66	933.54	900.49
Other current liabilities	XII	523.65	335.21	299.62	500.01	783.14
Short-term provisions	X	562.49	547.97	381.81	419.59	395.83
<b>Total</b>		<b>14,306.62</b>	<b>12,770.29</b>	<b>11,834.20</b>	<b>10,986.15</b>	<b>11,023.48</b>
<b>Assets</b>						
<b>(5) Non-current assets</b>						
(a) Fixed assets	XIII					
- Tangible fixed assets		2,045.11	2,120.72	2,184.27	2,220.90	2,167.99
- Intangible fixed assets		47.69	94.77	65.51	112.87	78.39
- Capital work in progress		478.23	42.09	44.00	29.79	50.19
(b) Deferred tax assets (net)	XIV	338.37	233.69	212.73	170.27	118.55
(c) Long-term loans and advances	XV	396.86	387.96	315.30	424.78	600.80
(d) Other non-current assets	XVI	15.30	24.25	22.43	20.37	18.04
<b>(6) Current assets</b>						
(a) Inventories	XVII	3,494.61	3,684.41	3,122.35	3,529.23	3,336.79
(b) Trade receivables	XVIII	7,259.97	6,015.41	5,721.18	4,294.31	4,438.50
(c) Cash and bank balances	XIX	42.25	67.17	81.56	42.45	28.46
(d) Short-term loans and advances	XV	188.23	99.82	64.87	141.15	185.53
(e) Other current assets	XX	-	-	-	0.03	0.24
<b>Total</b>		<b>14,306.62</b>	<b>12,770.29</b>	<b>11,834.20</b>	<b>10,986.15</b>	<b>11,023.48</b>

Note:

1. Significant accounting policies are given in annexure V
2. In addition to annexures referred above, certain other notes are given in annexure XXXII to annexure XXXIV.
3. Summary of results of adjustments / rectifications made in the audited financial statements of the respective years and its impact on Summary statement of profit and loss, as restated and summary statement of assets and liabilities, as restated are given in annexure IV (part-A)
4. The reconciliation between the audited surplus in Statement of Profit And Loss and restated surplus in Statement of Profit And Loss as at 1 April 2010 is given in note 2 of Annexure IV (Part B).

\* Rounded off to NIL in ₹ in lacs.

**ANNEXURE II: SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	Annexure	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Revenue from operations	XXI	15,209.88	13,993.55	13,101.90	11,013.14	9,820.19
Other income	XXII	98.04	82.64	132.79	101.64	200.44
<b>Total revenue (A)</b>		<b>15,307.92</b>	<b>14,076.19</b>	<b>13,234.69</b>	<b>11,114.78</b>	<b>10,020.63</b>
<b>Expenditure:</b>						
Cost of materials consumed	XXIII-A	3,445.95	3,770.85	3,110.64	3,238.88	3,006.09
Purchases of stock-in-trade	XXIII-B	3,241.72	3,126.38	3,465.04	1,683.67	1,132.35
Changes in inventories of finished goods, work-in -progress and stock-in-trade	XXIII-C	144.20	(476.58)	71.09	(336.36)	(238.77)
Employee benefits	XXIV	1,676.51	1,415.99	1,385.97	1,511.22	1,311.49
Finance costs	XXV	414.82	410.69	432.19	432.57	230.18
Depreciation and amortisation expense	XXVI	586.15	385.02	447.59	464.29	433.20
Other expenses	XXVII	3,537.03	3,594.17	3,092.98	3,253.24	3,345.75
<b>Total expenses (B)</b>		<b>13,046.38</b>	<b>12,226.52</b>	<b>12,005.50</b>	<b>10,247.51</b>	<b>9,220.29</b>
<b>Profit before exceptional items and tax, as restated (C) = (A) - (B)</b>		<b>2,261.54</b>	<b>1,849.67</b>	<b>1,229.19</b>	<b>867.27</b>	<b>800.34</b>
<b>Exceptional item</b>						
Less : Security deposit written off (D)		-	-	-	196.66	-
<b>Profit before tax and after exceptional item, as restated (E) = (C)-(D)</b>		<b>2,261.54</b>	<b>1,849.67</b>	<b>1,229.19</b>	<b>670.61</b>	<b>800.34</b>
<b>Provision for tax</b>						
Current tax		887.76	627.48	458.88	437.07	391.00
Less: MAT credit entitlement		-	(10.08)	-	-	-
Deferred tax charge/ (credit)		(104.68)	(20.96)	(42.44)	(51.74)	(65.67)
Wealth tax		-	-	-	-	0.82
<b>Total tax expense/ (credit) (F)</b>		<b>783.08</b>	<b>596.44</b>	<b>416.44</b>	<b>385.33</b>	<b>326.15</b>
<b>Net profit after tax as restated (before consolidation adjustments) (G) = (E) - (F)</b>		<b>1,478.46</b>	<b>1,253.23</b>	<b>812.75</b>	<b>285.28</b>	<b>474.19</b>
<b>Consolidation adjustments:</b>						
- Share of loss/ (profit) transferred to minority*		0.00	(0.00)	0.00	0.00	0.00
<b>Total of consolidation adjustments (H)</b>		<b>0.00</b>	<b>(0.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net profit after tax as restated (after consolidation adjustments) (I) = (G) + (H)</b>		<b>1,478.46</b>	<b>1,253.23</b>	<b>812.75</b>	<b>285.28</b>	<b>474.19</b>

Note:

1. Significant accounting policies are given in annexure V
2. In addition to annexures referred above, certain other notes are given in annexure XXXII to annexure XXXIV.
3. Summary of results of adjustments / rectifications made in the audited financial statements of the respective years and its impact on Summary statement of profit and loss, as restated and summary statement of assets and liabilities, as restated are given in annexure IV (part-A)
4. The reconciliation between the audited surplus in Statement of Profit And Loss and restated surplus in Statement of Profit And Loss as at 1 April 2010 is given in note 2 of Annexure IV (Part B).

\*Rounded off to NIL in ₹ in lacs.

**ANNEXURE III: CONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>A) Cash flow from operating activities:</b>					
Net profit before tax	2,261.54	1,849.67	1,229.19	670.61	800.34
<b>Adjustments for :</b>					
Depreciation and amortisation	586.15	385.02	447.59	464.29	433.20
Finance cost	414.82	410.69	432.19	432.57	230.18
Interest income	(52.67)	(47.65)	(78.69)	(48.53)	(38.54)
Exceptional item- Security Deposit Written Off	-	-	-	196.66	-
Unrealised foreign exchange fluctuation (net)	0.20	-	-	-	-
Loss on sale of assets	3.63	1.27	14.73	28.43	13.15
<b>Operating profit before following adjustments :</b>	<b>3,213.67</b>	<b>2,599.00</b>	<b>2,045.01</b>	<b>1,744.03</b>	<b>1,438.33</b>
<b>Adjustments for :</b>					
(Increase)/Decrease in trade receivables	(1,244.54)	(294.23)	(1,407.33)	10.62	(1,061.09)
(Increase)/Decrease in loan and advances and other current assets	(82.20)	17.16	59.17	22.00	(433.22)
Decrease / (Increase) in inventories	189.80	(562.06)	425.56	(98.66)	(1,406.45)
(Decrease) / Increase in trade payables	(278.38)	192.39	160.48	12.51	511.33
Increase/ (Decrease) in other current liabilities and provisions	243.47	151.22	31.88	(179.93)	342.03
<b>Cash Generated/(used) in operations</b>	<b>2,041.82</b>	<b>2,103.48</b>	<b>1,314.77</b>	<b>1,510.57</b>	<b>(609.07)</b>
Taxes paid (net)	(832.11)	(501.78)	(586.97)	(443.60)	(297.18)
<b>Net cash Generated/(used) in operating activities (A)</b>	<b>1,209.71</b>	<b>1,601.70</b>	<b>727.80</b>	<b>1,066.97</b>	<b>(906.25)</b>
<b>B) Cash flow from investing activities:</b>					
Purchase of fixed assets	(938.02)	(358.24)	(409.41)	(584.76)	(540.30)
Sale of fixed assets	28.61	8.20	16.82	25.06	30.41
Interest income	52.67	47.65	23.82	10.15	38.54
Bank deposit (more than 3 months)	(2.77)	12.87	(12.87)		
<b>Net cash used in investing activities (B)</b>	<b>(859.51)</b>	<b>(289.52)</b>	<b>(381.64)</b>	<b>(549.55)</b>	<b>(471.35)</b>
<b>C) Cash flow from financing activities:</b>					
Proceeds from working capital loan (net)	79.47	(622.69)	363.23	24.45	1,773.26
Repayment of unsecured loan	(15.65)	(33.00)	-	-	(2.00)
Proceeds from long term borrowings	201.26	5.38	58.82	-	-
Repayment of long term borrowings	(124.50)	(23.99)	(30.82)	(105.31)	(152.68)
Finance cost	(414.82)	(410.69)	(432.19)	(432.57)	(230.18)
Dividend paid	(93.47)	(186.94)	(248.63)	-	-
Tax on dividend	(19.14)	(31.77)	(30.33)	-	-
Proceeds from issue of equity share capital	-	-	-	-	0.01
Proceeds from Unsecured loan	-	(10.00)	-	10.00	-
<b>Net cash (used in)/generated from financing activities (C )</b>	<b>(386.85)</b>	<b>(1,313.70)</b>	<b>(319.92)</b>	<b>(503.43)</b>	<b>1,388.41</b>

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
D) Net increase / (decrease) in cash and cash equivalents (A+B+C)	(36.65)	(1.52)	26.24	13.99	10.81
E) Cash and cash equivalents as at the beginning of the year	67.17	68.69	42.45	28.46	17.65
F) Cash and cash equivalents as at the end of the year	30.52	67.17	68.69	42.45	28.46
<b>Cash and cash equivalents</b>					
Cash in hand	4.33	7.90	2.66	1.53	0.48
Foreign currency in hand	0.30	0.33	0.15	-	-
Balances with banks					
-Current accounts	25.89	58.94	60.85	25.18	27.98
- Fixed deposit accounts with original maturity of three months or less	-	-	5.03	15.74	-
Total Cash and cash equivalents	30.52	67.17	68.69	42.45	28.46

**Note:**

1. The cash flow statement has been prepared in accordance with 'Indirect method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statements' referred to in the Companies Act, 2013.
2. Figures in brackets indicate cash outflow.
3. Significant accounting policies are given in annexure V.
4. In addition to annexures for Summary of Consolidated Statement of Assets And Liabilities, as restated and Summary of Consolidated Statement of Profit and Loss, as restated including annexures referred therein certain other notes are given in annexure XXXIII to annexure XXXV

**ANNEXURE IV (PART A): NOTES TO SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS, AS RESTATED (ANNEXURE II) AND SUMMARY OF CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED (ANNEXURE I)**

Below mentioned is the summary of results of adjustments / rectifications made in the audited financial statements of the respective years and its impact on summary of consolidated statement of profit and loss, as restated and summary of consolidated statement of assets and liabilities, as restated.

**A. Adjustments**

*(Amounts in ₹ in lacs)*

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Profit After Tax (as per audited financial statements)	1,447.64	1,263.75	823.83	320.74	483.31
<b>Restatement adjustments :</b>					
Liability no longer required written back (Refer Note 1)	-	(1.57)	(1.79)	(29.42)	13.61
Taxes paid for earlier years (Refer Note 2)	10.17	(0.05)	-	(5.14)	2.13
Depreciation (Refer Note 3)	-	(14.26)	(14.54)	(15.46)	(0.48)
Provision for contingency (Refer Note 8)	30.00	-	-	-	(30.00)
<b>Total Adjustments- add / (less)</b>	<b>40.17</b>	<b>(15.88)</b>	<b>(16.33)</b>	<b>(50.02)</b>	<b>(14.74)</b>
Tax Rate	33.99%	33.99%	32.45%	32.45%	33.22%
Current tax impact (Refer Note 4)	-	(0.53)	(0.58)	(9.54)	4.52
Deferred Tax Impact (Refer Note 5)	9.35	(4.85)	(4.72)	(5.02)	(10.13)
<b>Profit after tax, as restated</b>	<b>1,478.46</b>	<b>1,253.25</b>	<b>812.80</b>	<b>285.28</b>	<b>474.17</b>

*(Amounts in ₹ in lacs)*

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>Impact on Consolidated Summary Statement of Profit and Loss, as restated (Annexure II)</b>					
Revenue From Operation -Note 6	-	-	(40.58)	(207.30)	143.57
Changes in inventories of finished goods, work-in-progress and stock-in-trade -Note 6	-	-	18.70	112.47	(71.89)
Provision against sales return -Note 6	-	-	21.88	94.83	(71.68)

*(Amounts in ₹ in lacs)*

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>Impact on Consolidated Summary Statement of Assets and Liabilities, as restated (Annexure I)</b>					
Reserves and surplus- Note 1	-	(1.57)	(1.79)	(29.42)	13.61
Trade payables- Note 1	-	1.57	1.79	29.42	(13.61)
Reserves and surplus- Note 2	10.17	(0.05)	-	(5.14)	2.13
Short-term provisions- Note 2	(10.17)	0.05	-	5.14	(2.13)
Reserves and surplus- Note 3	-	(14.26)	(14.54)	(15.46)	(0.48)
Tangible fixed assets- Note 3	-	14.26	14.54	15.46	0.48

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Reserves and surplus- Note 4	-	0.53	0.58	9.54	(4.52)
Short-term provisions- Note 4	-	(0.53)	(0.58)	(9.54)	4.52
Reserves and surplus- Note 5	9.35	(4.85)	(4.72)	(5.02)	(10.13)
Deferred tax assets (net)- Note 5	(9.35)	4.85	4.72	5.02	10.13
Trade Receivables- Note 6	-	-	-	40.58	247.88
Inventories- Note 6	-	-	-	(18.70)	(131.18)
Short-term provisions- Note 6	-	-	-	(21.88)	(116.70)
Reserves and surplus- Note 8	30.00	-	-	-	(30.00)
Short- term provisions - Note 8	(30.00)	-	-	-	30.00

Notes:

- 1) During the years ended 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012, the Group reversed certain liabilities which were considered as no longer payable and recognized as "Other income". Since, these were relating to earlier years, the reversal has been now reflected in respective year in which the liability was created.
- 2) Consequent to completion of income tax assessment for certain years, the Group paid additional taxes/ received additional refund which were recorded in the year of completion of such assessments. As these were relating to earlier years, the same has accounted for in the financial year for which the amount relates to.
- 3) Consequent to change in revision in depreciation rates due to applicability of Companies Act, 2013 with effect from 1 April 2014 (as further explained in note 2(f) of Annexure V), the impact on depreciation expense relating to assets whose estimated useful life expired as on or before 31 March 2015 has been adjusted in respective years.
- 4) Represents tax adjustment relating to adjustment described in 1 above
- 5) Represents tax adjustment relating to adjustment described in 3 above and 8 below.
- 6) In the holding Company, Numero Uno Clothing Limited, Up to 31 March 2012, margin loss on expected sales return was adjusted from Revenue from operation, Inventories and trade receivables. While in subsequent periods, this was presented as Provision against sales return with a corresponding impact in Changes in inventories of finished goods, work-in-progress and stock-in-trade, Revenue from operation. This adjustment has no impact on consolidated statement of profit and loss.
- 7) W.e.f. April 1 2011, revised schedule VI notified under the Companies Act, 1956 has become applicable to the Group for preparation and presentation of its financial statements. The adoption of Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Group has also reclassified the figures for the previous year ended 31 March, 2011 in accordance with the requirements applicable for the year ended 31 March, 2012.

Appropriate adjustments have been made in the Restated Summary Statements of assets and liabilities, profit and losses and cash flows, 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 Group as at and for the year ended 31 March, 2015, prepared in accordance with Schedule III of the Companies Act, 2013 and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

- 8) A provision of ₹ 30 lacs has been made in the year ended 31 March 2015 towards a claim of ₹ 57.20 lacs filed by lessor for non-adherence to the terms of the agreement and default in making payment of security deposit and lease rental/ license fee for a leased premises which was vacated in the year ended 31 March 2011. This matter is currently under Arbitration. As the matter relates to year ended 31 March 2011, the adjustment has been reflected in the financial information of that year.

## ANNEXURE IV (PART B):

1. Other audit qualifications and emphasis of matter paragraph in the auditor's report on the financial statements of the Company and its Subsidiary, either the effect of which is not ascertainable or which do not require any material corrective adjustments in the financial information, are as follows:

For Parent Company i.e. Numero Uno Clothing Limited

### Emphasis of Matter

#### Financial year ended 31 March 2015

We draw attention to Note 36 of the financial statements, wherein it is stated that the Company has recoverable balance from certain customers amounting to ₹ 687.37 lacs and ₹ 777.14 lacs as at 31 March 2015 and 31 March 2014 respectively. The balance excludes any interest on delayed payment which is generally levied by the Company as per its contractual terms and recognized when it is not unreasonable to expect the ultimate collection by the Company.

As a consequence of certain disputes, the Company has discontinued its business with the customer and has initiated steps (including legal recourse wherever considered necessary) to recover the outstanding balance. As per the facts/ circumstances of the case and legal wherever applicable, the management believes that there exists favorable chances of recovering at least the outstanding balance (excluding interest thereon) and therefore, no provision has been made in the financial statements.

This emphasis of matter is also appearing in the audit opinion on the consolidated financial statement of the Company.

#### Comments in Companies (Auditor's Report) Order, 2003 and Companies (Auditor's Report) Order, 2015 (as applicable)

#### Financial year ended 31 March 2012

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues, as applicable, have generally been regularly deposited during the year by the Company with the appropriate authorities. *Undisputed dues for provident fund and employee's state insurance have not generally been regularly deposited with the appropriate authorities, though the delays in deposit have not been serious.*

#### Financial year ended 31 March 2013

There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Cess and other material statutory dues were in arrears as at 31 March 2013, except as mentioned below:

Nature of statute	Nature of dues	Amount involved (In ₹ in lacs)	Amount deposited (in ₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Delhi Value Added Tax Act, 2004	VAT	46.57	6.02	2006-07	Appellate Tribunal, Value Added Tax, Delhi

#### Financial year ended 31 March 2014

- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues, as applicable, have generally been regularly deposited during the year by the Company with the appropriate authorities *though there have been slight delays in few cases with respect to employee's state insurance.*
- b. There are no dues of Income tax, Sales tax, Wealth tax, Service tax, Excise Duty, Customs duty and Cess which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Nature of statute	Nature of dues	Amount involved (In ₹ in lacs)	Amount deposited (in ₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Delhi Value Added Tax Act, 2004	VAT	46.57	6.02	2006-07	Appellate Tribunal, Value Added Tax, Delhi

#### Financial year ended 31 March 2015

- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, duty of customs, duty of excise, value added tax,

and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities *though there have been slight delays in few cases with respect to employee's state insurance and service tax.*

- b. There are no dues of Income tax, Sales tax, Wealth tax, Service tax, Excise Duty, Customs duty and cess which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Nature of statute	Nature of dues	Amount involved (In ₹ in lacs)	Amount deposited (in ₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Delhi Value Added Tax Act, 2004	VAT	46.57	6.02	2006-07	Appellate Tribunal, Value Added Tax , Delhi

Note: The above table includes only those amounts on which demand orders have been served and are under dispute.

#### For Subsidiary Company i.e Numero Uno Brands Limited

##### Emphasis of Matter

##### Financial year ended 31 March 2015

The Company has not appointed a whole - time Company Secretary as required under section 203 of the Companies Act, 2013. Our opinion is not qualified in respect of this matter

##### Comments in Companies (Auditor's Report) Order, 2003 and Companies (Auditor's Report) Order, 2015 (as applicable)

##### Financial year ended 31 March 2012

In respect of services of specialized nature, Auditor is unable to comment whether the transactions exceeding the value of ₹ 5 lacs in respect of each party have been made at reasonable prices w.r.t. prevailing market prices at the relevant times.

##### Financial year ended 31 March 2013

The Company has accumulated losses at the end of the financial year which exceeds 50% of its net worth and has incurred cash losses during the financial year covered by our audit and in the immediately previous year.

##### Financial year ended 31 March 2015

The company is regular in depositing with appropriate authorities undisputed statutory dues including income tax and other material statutory dues applicable to it. According to the information and explanation given to us employees' state insurance, wealth tax, custom duty, excise duty, other cess etc. are not applicable to the current operations of the company. Further no undisputed amounts were payable in respect of income tax and other statutory dues were outstanding, as at 31st March, 2015 for a period of more than six months from the date they became payable except the following.

##### Statement of Undisputed Dues

Nature of Statutes	Nature of dues	Amount deposited (in ₹ in lacs)	Period to which the amount relates
Finance Act, 1994	Service Tax	0.02	2012-13
Finance Act, 1994	Service Tax	0.02	2013-14

2. Reconciliation between the surplus in consolidated statement of profit and loss as per audited financial statements and surplus in summary of consolidated statement of profit and loss, as restated as at 1 April 2010, is given below:

Particulars	(Amounts in ₹ in lacs)
Profit and loss appropriation account as at 1 April 2010 as per audited financials	1,657.31
Adjustments :	
Liability no longer required written back	19.17
Taxes Paid For Earlier Years	(7.12)
Depreciation	(0.23)
Current tax liability	(6.14)
Deferred tax liability	0.08
<b>Profit and Loss Appropriation account as at 1 April 2010, as restated</b>	<b>1,663.07</b>



## ANNEXURE V: SIGNIFICANT ACCOUNT POLICIES

### 1. Group overview

Número Uno Clothing Limited was incorporated as a public limited company in the year 2006 and took over the proprietary business of Hi-Fashion Clothing Co. The Company along with its subsidiary i.e. Número Uno Brands Limited is referred to as 'the Group'. The Group is primarily engaged in manufacturing and trading of readymade garments and accessories.

The subsidiary company was incorporated in India and parent company holds its 99.99% shares and voting power. Reporting date of subsidiary company is same as that of parent company, i.e. 31 March every year end.

### 2. Significant accounting policies

The accounting policies set out below have been applied consistently to the years presented in these financial statements.

#### a. Basis of preparation of Restated Consolidated Financial Information

The Restated Consolidated Financial information has been prepared after making adjustments to the audited consolidated financial statements of the Group as considered appropriate and as set out in Annexure IV(Part A) to the Restated Consolidated Financial information and in accordance with the requirements of the Companies Act 2013, as amended, (the "Companies Act"), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, from time to time (the "SEBI Regulations") and the 'Guidance Note on 'Reports in Company's Prospectus (Revised)' issued by the Institute of Chartered Accountants of India ('ICAI') to the extent applicable ('Guidance Note').

#### b. Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013, pronouncements of the Institute of Chartered Accountants of India and other accounting principles generally accepted in India, to the extent applicable and as adopted consistently by the Group.

#### c. Principles of consolidation

The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation as laid down under Accounting Standard 21 on "Consolidated Financial Statements" as per the Companies Act, 2013.

- i. The consolidated financial statements of the holding Company and its subsidiary have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all intra-group balances and intra-group transactions and also unrealised profits and losses in full in accordance with the Accounting Standard 21 on "Consolidated Financial Statements".
- ii. The difference between the cost to the Company of its investment in subsidiary and its proportionate share in the equity of the investee company at the time of acquisition of shares in the subsidiary is recognised in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill is tested for impairment by the management on an annual basis.
- iii. The consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

#### d. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the year. Differences between actual results and estimates are recognised in the year in which the results are known or materialised. Examples of such estimates are estimated useful life of assets, provision for doubtful debts, devaluation /provision for inventory, provision for sales return margin, retirement benefits etc. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### e. Current–non-current classification

All assets and liabilities are classified into current and non-current.

**Assets:** An asset is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is expected to be realised within 12 months after the reporting date; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

**Liabilities:** A liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be settled in the Group's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current

**f. Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises original cost of acquisition and any directly attributable costs of bringing the asset to its working condition for the intended use.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Group in connection with the borrowing of funds.

Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Tangible fixed assets under construction are disclosed as capital work-in-progress.

**g. Intangible fixed assets**

Intangible assets which are acquired are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

**h. Depreciation and amortisation**

Upto 31 March 2014, depreciation was provided on pro-rata basis as per written down value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956 and assets individually costing upto ₹ 0.05 lacs were fully depreciated in the year of purchase.

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Group has revised depreciation rate on certain fixed assets as per the useful life specified in Part 'C' of Schedule II to the Act. As a result of this change, the depreciation charge till 31 March 2015 is higher by ₹ 245.66 lacs and an amount of ₹ 30.05 lacs (net of deferred tax of ₹ 15.45 lacs) in respect of assets whose useful life is already exhausted as on 1 April 2014 has been adjusted from consolidated retained earnings.

Leasehold land is amortised over the period of the lease. Leasehold improvements are amortised over the remaining period of lease or the useful life of assets, whichever is shorter.

Intangible assets (software) are amortized over the estimated life of three years from the date of capitalization.

**i. Impairment**

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation), had no impairment loss been recognized.

**j. Revenue recognition**

Revenue from sale of goods to distributors, franchisees and dealers is recognised at the point of dispatch of goods, which coincides with the transfer of risks and rewards as per the arrangements with the parties.

Revenue in case of consignment sale and sales made on sale or return basis is recognized only when the sale is made to the ultimate customer.

Revenue is shown net of sales tax, sales returns and trade discounts.

A provision is created in the year of sale for margin loss on expected sales return estimated on the basis of historical experience and available facts and circumstances.

**k. Interest income**

Interest is recognized as income at agreed rates on a time proportion basis and to the extent it is not unreasonable to expect the ultimate collection.

**l. Inventories**

Inventories primarily comprising raw materials, packing materials, accessories, consumables and work-in-process are carried at cost computed on a First in First out basis, after providing for obsolescence. In case there is a decline in replacement cost of such materials and the net realisable value of finished products in which they will be used is expected to be below cost, the value of such materials and work in process is appropriately written down.

Finished goods are valued at the lower of cost (computed on First in First out basis) and net realisable value. Cost includes an appropriate portion of manufacturing and other overheads, where applicable.

**m. Employee benefits**

**Short term employee benefits**

All employee benefits payable /available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus, etc., are recognised in the Consolidated Statement of Profit and Loss in the period in which the employee renders the related service.

**Post -employment benefits**

The provident fund scheme is a defined contribution plan. Contributions payable towards provident fund are deposited with the Regional Provident Fund Department and are charged to the Consolidated Statement of Profit and Loss on accrual basis.

The gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date relevant to the maturity period of the obligation. Actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss.

**Other long term employee benefits**

Benefits under the compensated absences scheme constitute other long-term employee benefits. The obligation in respect of compensated absences is provided on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measure each unit separately to build up the final obligation. Actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss.

**n. Foreign currency transactions**

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing at the date of the balance sheet. Exchange gains or losses arising out of fluctuations in exchange rates on settlement during the year or translation at the year end are recognized in the Consolidated Statement of Profit and Loss.

**o. Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease charges are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight line basis over the lease term.

**p. Earnings per share**

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Dilutive earnings per share is computed and disclosed after adjusting the effects of all dilutive potential equity shares, if any, except when the results will be anti-dilutive.

**q. Income Tax**

Income-tax expenses comprise current tax (i.e. the amount of tax for the year determined in accordance with the Income-tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized. Deferred tax implications of timing differences, that originate during the tax holiday period and reverse after the tax holiday period are recognised in the year in which timing differences originate.

The credits arising from Minimum Alternate Tax ('MAT') paid are recognised as recoverable only if there is reasonable certainty that the respective entity of the Group will have sufficient taxable income in future years to utilise such credits.

**r. Provisions and Contingencies**

A provision is recognised when there is a present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligation and the amount of such outflow obligation can be reliably estimated. Provisions are not discounted to its present value, and are determined based on the management's best estimate of the amount of obligation required at the year end. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group. When there is a possible obligation or a present obligation where the likelihood of an outflow of resources is remote, no disclosure or provision is made.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and fixed deposits with banks with original maturity of three months or less.

**ANNEXURE VI: CONSOLIDATED STATEMENT OF SHARE CAPITAL, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>Authorised</b>					
60,000,000 (Previous years 10,000,000) equity shares of ₹ 10 each	6,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>Issued, subscribed and fully paid-up</b>					
46,734,020 (Previous year 9,346,804) equity shares of ₹ 10 each fully paid-up	<b>4,673.40</b>	<b>934.68</b>	<b>934.68</b>	<b>934.68</b>	<b>934.68</b>

Foot notes:

a) Reconciliation of Equity Share Capital :

<b>Equity Share</b>					
At the beginning of the years	<b>9,346,804</b>	<b>9,346,804</b>	<b>9,346,804</b>	<b>9,346,804</b>	<b>9,346,804</b>
Add: Issuance of bonus shares *	37,387,216	-	-	-	-
At the end of the years	<b>46,734,020</b>	<b>9,346,804</b>	<b>9,346,804</b>	<b>9,346,804</b>	<b>9,346,804</b>

\* 37,387,216 equity share issued to existing shareholders in the ratio of four equity share for one equity share held in parent company.

b) The Parent Company has a single class of equity shares. Accordingly, all equity shares rank pari-passu with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll are in proportion to its share of the paid up equity share capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c) 6,741,804 equity shares of ₹ 10/- each were issued for consideration other than cash in the year 2007-08 for takeover of the business of Hi - Fashion Clothing Co., a proprietary concern.

d) Particulars of shareholders holding more than 5% equity shares :

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>Names</b>	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>
-Mr. Narinder Singh Dhingra	3,38,34,020	6,766,804	6,766,804	6,766,804	6,766,804
-AA Development Capital India Fund I, LLC	1,17,35,000	2,347,000	2,347,000	2,347,000	2,347,000
<b>Names</b>	<b>% of shares</b>	<b>% of shares</b>	<b>% of shares</b>	<b>% of shares</b>	<b>% of shares</b>
-Mr. Narinder Singh Dhingra	72.40	72.40	72.40	72.40	72.40
-AA Development Capital India Fund I, LLC	25.11	25.11	25.11	25.11	25.11

**ANNEXURE VII: CONSOLIDATED STATEMENT OF RESERVE & SURPLUS, AS RESTATED**
*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
<b>Securities premium account</b>					
Balance at the beginning and end of the year	3,133.00	3,133.00	3,133.00	3,133.00	3,133.00
Less: Utilized for issue of bonus equity share	(3,133.00)	-	-	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>3,133.00</b>	<b>3,133.00</b>	<b>3,133.00</b>	<b>3,133.00</b>
<b>General Reserve</b>					
Balance at the beginning of the year	147.92	64.28	-	-	-
Amount Transferred from Surplus	-	83.64	64.28	-	-
Less: Utilized for issue of bonus equity share	(147.92)	-	-	-	-
<b>Balance at the end of the years</b>	<b>-</b>	<b>147.92</b>	<b>64.28</b>	<b>-</b>	<b>-</b>
<b>Surplus in the Statement of Profit and Loss</b>					
Balance at the beginning of the year	3,795.99	2,845.11	2,313.91	2,137.26	1,663.07
Add: Profit for the year	1,478.46	1,253.23	812.75	285.28	474.19
Less: Utilized for issue of bonus equity share	(457.80)	-	-	-	-
Less: Interim dividend on equity shares	(93.47)	(186.94)	(186.94)	-	-
Less: Tax on interim equity dividend	(19.14)	(31.77)	(30.33)	-	-
Less: Proposed dividend on equity share	-	-	-	(93.47)	-
Less: Tax on proposed equity dividend	-	-	-	(15.16)	-
Less: Transferred to General Reserve	-	(83.64)	(64.28)	-	-
<b>Balance at end of the year</b>	<b>4,704.04</b>	<b>3,795.99</b>	<b>2,845.11</b>	<b>2,313.91</b>	<b>2,137.26</b>
<b>Total reserves and surplus</b>	<b>4,704.04</b>	<b>7,076.91</b>	<b>6,042.39</b>	<b>5,446.91</b>	<b>5,270.26</b>

**ANNEXURE VIII A: CONSOLIDATED STATEMENT OF LONG TERM BORROWINGS, AS RESTATED**

*(Amounts in ₹ in lacs)*

Particulars	As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities
<b>Secured term loans from banks:-</b>										
Federal Bank Limited	80.14	141.62	-	-	-	-	-	19.49	19.49	103.34
<b>Total (A)</b>	<b>80.14</b>	<b>141.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.49</b>	<b>19.49</b>	<b>103.34</b>
<b>Secured vehicle loans</b>										
ICICI Bank Limited	15.47	10.37	4.47	4.78	5.97	8.73	9.46	15.62	16.31	10.75
HDFC Bank Limited	-	14.37	14.37	17.12	31.49	15.04	-	-	-	-
<b>Total (B)</b>	<b>15.47</b>	<b>24.74</b>	<b>18.84</b>	<b>21.90</b>	<b>37.46</b>	<b>23.77</b>	<b>9.46</b>	<b>15.62</b>	<b>16.31</b>	<b>10.75</b>
<b>Total (A+B)</b>	<b>95.61</b>	<b>166.36</b>	<b>18.84</b>	<b>21.90</b>	<b>37.46</b>	<b>23.77</b>	<b>9.46</b>	<b>35.11</b>	<b>35.80</b>	<b>114.09</b>

Refer annexure VIII-C for details of terms and conditions, including interest rates, principal terms of security, repayment and prepayment terms of the long term borrowings outstanding as at 31 March 2015.

**ANNEXURE VIII B: CONSOLIDATED STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED**
*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
<b>Secured loans from banks:</b>					
-Cash credit/ working capital loans					
Federal Bank Limited	779.62	534.18	558.25	685.03	2,333.99
Axis Bank Limited	422.22	677.75	1,042.07	1,366.21	-
Jammu & Kashmir Bank Limited	976.58	887.02	1,121.35	307.20	-
<b>Total (A)</b>	<b>2,178.42</b>	<b>2,098.95</b>	<b>2,721.67</b>	<b>2,358.44</b>	<b>2,333.99</b>
<b>Unsecured Loan</b>					
Loan from related parties					
From a Director	-	15.65	25.65	25.65	15.65
From a Company	-	-	33.00	33.00	33.00
<b>Total (B)</b>	<b>-</b>	<b>15.65</b>	<b>58.65</b>	<b>58.65</b>	<b>48.65</b>
<b>Total (A+B)</b>	<b>2,178.42</b>	<b>2,114.60</b>	<b>2,780.32</b>	<b>2,417.09</b>	<b>2,382.64</b>

Refer annexure VIII-C for details of terms and conditions, including interest rates, principal terms of security, repayment and prepayment terms of the long term borrowings outstanding as at 31 March 2015.



**ANNEXURE VIIIIC: CONSOLIDATED STATEMENT OF DETAILS OF TERMS AND CONDITIONS, INCLUDING INTEREST RATES, PRINCIPAL TERMS OF SECURITY, REPAYMENT AND PREPAYMENT TERMS OF THE LONG TERM AND SHORT TERM BORROWINGS OUTSTANDING AS AT 31 MARCH 2015**

S. No	Name of the asset for which loan is taken	Name of the Bank	Amount secured (₹ In lacs)	Rate of interest	Terms of payment	Pre-payment penalty	Extent and operation of charge
1	Vehicle	ICICI Bank Limited	13	10.50%	36 equal monthly instalments starting from 15 November 2014	The lesser of the following: a) 5% of the principal outstanding plus applicable service tax b) The interest outstanding for the remaining tenure of the loan.	Charge over respective vehicle
2	Vehicle	ICICI Bank Limited	13	10.50%	36 equal monthly instalments starting from 15 Nov 2014	The lesser of the following: a) 5% of the principal outstanding plus applicable service tax b) The interest outstanding for the remaining tenure of the loan.	Charge over respective vehicle
3	Building	The Federal Bank Limited	300	Bank rate + 1.8%	60 equal monthly instalments starting from 30 August 2014	Nil if paid from own source. Otherwise 2% of the balance outstanding at the time of closure.	First Pari-passu charge by way of Equitable Mortgage on the following:- <b>Primary:-</b> 1) Leasehold industrial property and building measuring 8059.30 sq meters including additional constructions on 1st and 2nd floor at A2/2, UPSIDC Industrial area, Selaqui, Dehradun <b>Secondary:-</b> 1) Land measuring 17091.25 sq yards at 568/1, PMW Complex, Railway road, Gurgaon at Sy Khasra No 364, 3317/365, 3318/365. 2) Industrial plot measuring 1800 sq meter at 408, sector-8, IMT Manesar, Haryana. <b>Additional charge-</b> 1) First Pari-passu charge over the other fixed assets other than land and building. Additionally, term loans from banks are personally guaranteed by the Directors and their relatives.
4	Machinery	The Federal Bank Limited	300	Bank rate + 2%	60 equal monthly instalments starting from 24 May 2014	2% of the amount to be taken over	First pari-passu charge:- <b>Primary:-</b> 1) Hypothecation of new machinery to be purchased out of term loan. <b>Collateral :-</b> 1) Land measuring 17091.25 sq yards at 568/1, PMW Complex, Railway road, Gurgaon at Sy Khasra No 364, 3317/365, 3318/365. 2) Leasehold industrial property and building measuring 8059.30 sq meters including additional constructions on 1st and 2nd floor at A2/2, UPSIDC Industrial area, Selaqui, Dehradun 3) Industrial plot measuring 1800 sq meter at 408, sector-8, IMT Manesar, Haryana. <b>Additional charge-</b> 1) First Pari-passu charge over the other fixed assets other than land and building. Additionally, term loans from banks are personally guaranteed by the Directors and their relatives .
5	Vehicle	ICICI Bank Limited	5	10.62%	36 equal monthly instalments starting from 1 July 2013	The lesser of the following: a) 5% of the principal outstanding plus applicable service tax b) The interest outstanding for the remaining tenure of the loan.	Charge over respective vehicle
6	Vehicle	HDFC Bank	50	13%	36 equal monthly instalments starting from 5	Not Applicable	Charge over respective vehicle

S. No	Name of the asset for which loan is taken	Name of the Bank	Amount secured (₹ In lacs)	Rate of interest	Terms of payment	Pre-payment penalty	Extent and operation of charge
Jan 2013							
7	Cash credit	The Federal Bank Limited	1,500	Bank rate + 2%	NA	NA	<p>First pari passu charge:-</p> <p><b>Primary:-</b> 1) Over the entire current assets of the holding company including hypothecation of the inventory and book debts. (Margin : 25% on stocks and 30% on receivables)</p> <p><b>Collateral:-</b> 1) Land measuring 17091.25 sq. yards at 568/1, PMW Complex, Railway road, Gurgaon at See Khasra No 364, 3317/365, 3318/365. 2) Leasehold industrial property and building measuring 8059.30 sq. meters including additional constructions on 1st and 2nd floor at A2/2, UPSIDC Industrial area, Selaqui, Dehradun 3) Industrial plot measuring 1800 sq. meter at 408, sector-8, IMT Manesar, Haryana.</p> <p><b>Additional charge-</b> 1) First pari-passu charge over the other fixed assets other than land and building. 4) Personal Guarantee of directors and their relatives is given.</p>
8	Cash credit	Axis Bank	1,500	Bank Rate +1.75%	NA	NA	<p>First pari-passu charge:-</p> <p><b>Primary:-</b> 1) Over the entire current assets of the company.</p> <p><b>Collateral :-</b> 1) Land measuring 17091.25 sq yards at 568/1, PMW Complex, Railway road, Gurgaon at Sy Khasra No 364, 3317/365, 3318/365. 2) Leasehold industrial property and building measuring 8059.30 sq meters including additional constructions on 1st and 2nd floor at A2/2, UPSIDC Industrial area, Selaqui, Dehradun 3) Industrial plot measuring 1800 sq meter at 408, sector-8, IMT Manesar, Haryana. 4) Personal Guarantee of directors and their relatives is given.</p>
	Working Capital Demand Loan	Axis Bank		Bank Rate +1.5%	NA	NA	
	Buyers Credit	Axis Bank		LIBOR	NA	NA	
9	Cash credit	Jammu & Kashmir Bank	1,500	Bank Rate +2.25%	NA	NA	<p>First pari-passu charge:-</p> <p><b>Primary:-</b> 1) Over the entire current assets of the company.</p> <p><b>Collateral :-</b> 1) Land measuring 17091.25 sq yards at 568/1, PMW Complex, Railway road, Gurgaon at Sy Khasra No 364, 3317/365, 3318/365. 2) Leasehold industrial property and building measuring 8059.30 sq meters including additional constructions on 1st and 2nd floor at A2/2, UPSIDC Industrial area, Selaqui, Dehradun 3) Industrial plot measuring 1800 sq meter at 408, sector-8, IMT Manesar, Haryana. 4) Personal Guarantee of directors and their relatives is given.</p>

**ANNEXURE IX: CONSOLIDATED STATEMENT OF OTHER LONG TERM LIABILITIES, AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Security deposits	275.31	205.10	118.49	78.95	105.22
Lease equalisation reserve	65.87	104.09	104.51	117.23	101.70
	<b>341.18</b>	<b>309.19</b>	<b>223.00</b>	<b>196.18</b>	<b>206.92</b>

**ANNEXURE X: CONSOLIDATED STATEMENT OF PROVISIONS, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>Long Term Provisions:</b>					
Provision for employee benefits					
- Gratuity	176.27	118.74	107.14	93.52	85.75
- Compensated absences	46.68	31.15	31.12	35.17	27.96
	<b>222.95</b>	<b>149.89</b>	<b>138.26</b>	<b>128.69</b>	<b>113.71</b>

**Short Term Provisions:**

Provision for employee benefits					
- Gratuity	37.72	30.15	26.16	11.79	16.91
- Compensated absences	16.09	13.62	12.91	8.31	10.16
Other Provision					
-Provision for current tax (restatement impact)	-	-	0.53	1.12	10.66
-Provision for tax*	377.95	287.48	127.15	237.86	211.40
-Provision against sales return #	100.73	154.95	138.12	21.88	116.70
-Provision for contingencies##	30.00	30.00	30.00	30.00	30.00
-Interim dividend on equity shares	-	-	46.94	-	-
-Proposed dividend on equity shares	-	-	-	93.47	-
-Tax on proposed equity dividend on equity shares	-	31.77	-	15.16	-
<b>Total Short Term provisions</b>	<b>562.49</b>	<b>547.97</b>	<b>381.81</b>	<b>419.59</b>	<b>395.83</b>
* Net of Advance Tax	545.83	383.76	1,534.79	947.90	735.88

**# Movement of Provision against sales return margin**

Provision at the beginning of the year	154.95	138.12	21.88	116.70	45.02
Add : Provided during the year	100.73	154.95	138.12	21.88	116.70
Less : Utilised / Reversed during the year	154.95	138.12	21.88	116.70	45.02
Provision at the end of the year	100.73	154.95	138.12	21.88	116.70

**## Movement of Provision for contingencies**

Provision at the beginning of the year	30.00	30.00	30.00	30.00	-
Add : Provided during the year	-	-	-	-	30.00
Less : Utilised during the year	-	-	-	-	-
Provision at the end of the year	30.00	30.00	30.00	30.00	30.00

**ANNEXURE XI: CONSOLIDATED STATEMENT OF TRADE PAYABLE, AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Payable to:					
- Micro, small and medium enterprises *	-	-	-	-	-
- Others	1,004.88	1,283.00	996.66	933.54	900.49
	<b>1,004.88</b>	<b>1,283.00</b>	<b>996.66</b>	<b>933.54</b>	<b>900.49</b>

**Foot Notes :**

\* Based on the information available with the Company the balance outstanding to Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006

- - - - -

\*Interest paid or payable under Micro, Small and Medium Enterprises Development Act, 2006.

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**ANNEXURE XII: CONSOLIDATED STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Advances from customers	24.41	36.78	32.60	37.80	25.72
Current maturities of long-term debt					
- Term loans	141.62	-	-	19.49	103.34
- Vehicle loans	24.74	21.90	23.77	15.62	10.75
Lease equalisation reserve	17.88	24.50	21.89	3.07	2.60
Interest accrued but not due	0.53	0.37	0.36	-	-
Security deposits	16.50	10.50	10.50	18.69	-
Payable to employees	122.99	127.08	100.11	107.35	184.10
Statutory dues (Excise duty, tax deducted at source, provident fund, etc.)	174.98	114.08	110.39	294.03	451.57
Other Liability	-	-	-	3.96	5.06
	<b>523.65</b>	<b>335.21</b>	<b>299.62</b>	<b>500.01</b>	<b>783.14</b>

**ANNEXURE XIII: CONSOLIDATED STATEMENT OF FIXED ASSETS, AS RESTATED**

For the year ended 31 March 2015

(Amounts in ₹ in lacs)

Asset description	Gross block				Depreciation/ Amortisation				Net block
	As at 1 April 2014	Additions	Disposals/ adjustments	As at 31 March 2015	Up to 1 April 2014	Depreciation for the year	In respect of disposals/adjus tments	Upto 31 March 2015	As at 31 March 2015
<b>Tangible assets</b>									
Land									
-freehold*	48.01	83.25	-	131.26	-	-	-	-	131.26
-leasehold	10.96	-	-	10.96	1.28	0.12	-	1.40	9.56
Factory building	1,358.07	-	-	1,358.07	526.40	93.92	-	620.32	737.75
Building (shops) #	138.18	8.94	-	147.12	25.47	12.28	-	37.75	109.37
Lease improvements	714.05	223.77	66.92	870.90	484.42	94.12	48.09	530.45	340.45
Plant and machinery	1,132.39	12.62	12.18	1,132.83	564.92	136.80	7.87	693.85	438.98
Office equipment	220.16	64.26	0.30	284.12	142.49	63.18	0.04	205.63	78.49
Computer - hardware	145.10	12.08	0.30	156.88	110.49	27.12	0.30	137.31	19.57
Furniture and fittings	315.74	0.80	-	316.54	208.39	48.18	-	256.57	59.97
Vehicles	237.85	86.98	43.04	281.79	135.93	60.35	34.20	162.08	119.71
<b>Total tangible assets</b>	<b>4,320.51</b>	<b>492.70</b>	<b>122.74</b>	<b>4,690.47</b>	<b>2,199.79</b>	<b>536.07</b>	<b>90.50</b>	<b>2,645.36</b>	<b>2,045.11</b>
<b>Intangible assets</b>									
Computer - software	346.33	3.00	-	349.33	251.56	50.08	-	301.64	47.69
<b>Total intangible assets</b>	<b>346.33</b>	<b>3.00</b>	<b>-</b>	<b>349.33</b>	<b>251.56</b>	<b>50.08</b>	<b>-</b>	<b>301.64</b>	<b>47.69</b>
<b>Capital work in progress</b>									478.23
<b>Grand total</b>	<b>4,666.84</b>	<b>495.70</b>	<b>122.74</b>	<b>5,039.80</b>	<b>2,451.35</b>	<b>586.15</b>	<b>90.50</b>	<b>2,947.00</b>	<b>2,571.03</b>

\* Addition to land represent money paid to erstwhile owners of land due to increase in compensation for Land acquired from HSIIDC. (Refer note no. 1 of annexure XXXV)

# During the year ended on 31 March 2015, title of the property of shops has been transferred in the name of the parent company.

For the year ended 31 March 2014

(Amounts in ₹ in lacs)

Asset description	Gross block				Depreciation/ Amortisation				Net block
	As at 31 March 2013	Additions During the year	Disposals/ adjustments	As at 31 March 2014	Upto 31 March 2013	Depreciation for the year	In respect of disposals/adjust ments	Upto 31 March 2014	As at 31 March 2014
<b>Tangible Assets</b>									
Land:									
- freehold	48.01	-	-	48.01	-	-	-	-	48.01
- leasehold	10.96	-	-	10.96	1.16	0.12	-	1.28	9.68
Factory building	1,358.07	-	-	1,358.07	433.60	92.80	-	526.40	831.67
Building(shops) #	138.18	-	-	138.18	12.95	12.52	-	25.47	112.71
Leasehold improvements	516.38	197.67	-	714.05	444.70	39.72	-	484.42	229.63
Plant and machinery	1,120.48	11.91	-	1,132.39	474.15	90.77	-	564.92	567.47
Office equipment	192.63	29.59	2.06	220.16	114.47	29.26	1.24	142.49	77.67
Computer - hardware	119.18	26.64	0.72	145.10	94.95	15.83	0.29	110.49	34.61
Furniture and fittings	313.17	2.57	-	315.74	184.97	23.42	-	208.39	107.35
Vehicles	243.66	17.44	23.25	237.85	115.50	35.47	15.04	135.93	101.92
<b>Total tangible assets</b>	<b>4,060.72</b>	<b>285.82</b>	<b>26.03</b>	<b>4,320.51</b>	<b>1,876.45</b>	<b>339.91</b>	<b>16.57</b>	<b>2,199.79</b>	<b>2,120.72</b>
<b>Intangible Assets</b>									
Computer - software	271.96	74.37	-	346.33	206.45	45.11	-	251.56	94.77
<b>Total intangible assets</b>	<b>271.96</b>	<b>74.37</b>	<b>-</b>	<b>346.33</b>	<b>206.45</b>	<b>45.11</b>	<b>-</b>	<b>251.56</b>	<b>94.77</b>
<b>Capital work in progress</b>									42.09
<b>Grand total</b>	<b>4,332.68</b>	<b>360.19</b>	<b>26.03</b>	<b>4,666.84</b>	<b>2,082.90</b>	<b>385.02</b>	<b>16.57</b>	<b>2,451.35</b>	<b>2,257.58</b>

# Title of the property in shop was to be transferred in the name of the parent company, which was transferred during the year ended on 31 March 2015.



For the year ended 31 March 2013

(Amounts in ₹ in lacs)

Asset description	Gross block				Depreciation/ Amortisation				Net block
	As at 31 March 2012	Additions	Disposals/ adjustments	As at 31 March 2013	Upto 31 March 2012	Depreciation for the year	In respect of disposals/adjust ments	Upto 31 March 2013	As at 31 March 2013
<b>Tangible Assets</b>									
Land:									
- freehold	48.01	-	-	48.01	-	-	-	-	48.01
- leasehold	10.96	-	-	10.96	1.04	0.12	-	1.16	9.80
Factory building	1,317.57	40.50	-	1,358.07	333.78	99.82	-	433.60	924.47
Building(shops) #	-	138.18	-	138.18	-	12.95	-	12.95	125.23
Leasehold improvements	499.74	16.64	-	516.38	368.03	76.67	-	444.70	71.68
Plant and machinery	1,047.21	92.52	19.25	1,120.48	384.35	95.26	5.46	474.15	646.33
Office equipment	179.97	16.81	4.15	192.63	87.08	29.55	2.16	114.47	78.16
Computer - hardware	108.96	10.50	0.28	119.18	78.75	16.39	0.19	94.95	24.23
Furniture and fittings	309.88	3.29	-	313.17	155.54	29.43	-	184.97	128.20
Vehicles	212.36	67.92	36.62	243.66	105.19	31.25	20.94	115.50	128.16
<b>Total tangible assets</b>	<b>3,734.66</b>	<b>386.36</b>	<b>60.30</b>	<b>4,060.72</b>	<b>1,513.76</b>	<b>391.44</b>	<b>28.75</b>	<b>1,876.45</b>	<b>2,184.27</b>
<b>Intangible Assets</b>									
Computer - software	263.17	8.79	-	271.96	150.30	56.15	-	206.45	65.51
Total intangible assets	<b>263.17</b>	<b>8.79</b>	-	<b>271.96</b>	<b>150.30</b>	<b>56.15</b>	-	<b>206.45</b>	<b>65.51</b>
<b>Capital work in progress</b>									44.00
<b>Grand total</b>	<b>3,997.83</b>	<b>395.15</b>	<b>60.30</b>	<b>4,332.68</b>	<b>1,664.06</b>	<b>447.59</b>	<b>28.75</b>	<b>2,082.90</b>	<b>2,293.78</b>

# Title of the property in shop was to be transferred in the name of the parent company, which was transferred during the year ended on 31 March 2015.

For the year ended 31 March 2012

(Amounts in ₹ in lacs)

Asset description	Gross block				Depreciation/ Amortisation			Net block	
	As at 31 March 2011	Additions	Disposals/ adjustments	As at 31 March 2012	Upto 31 March 2011	Depreciation for the year	In respect of disposals/adju stments	Upto 31 March 2012	As at 31 March 2012
<b>Tangible Assets</b>									
Land:									
- freehold	48.01	-	-	48.01	-	-	-	-	48.01
- leasehold	10.96	-	-	10.96	0.92	0.12	-	1.04	9.92
Factory building	1,006.50	310.07	-	1,317.57	250.57	83.21	-	333.78	983.79
Leasehold improvements	497.28	51.51	49.05	499.74	280.98	99.52	13.47	368.03	131.71
Plant and machinery	991.91	76.01	20.71	1,047.21	286.69	102.49	4.83	384.35	662.86
Office equipment	158.29	21.84	0.16	179.97	59.11	27.99	0.02	87.08	92.89
Computer - hardware	100.19	8.77	-	108.96	59.81	18.94	-	78.75	30.21
Furniture and fittings	288.77	21.65	0.54	309.88	122.66	33.13	0.25	155.54	154.34
Vehicles	197.76	18.33	3.73	212.36	70.94	36.39	2.14	105.19	107.17
<b>Total tangible assets</b>	<b>3,299.67</b>	<b>508.18</b>	<b>74.19</b>	<b>3,734.66</b>	<b>1,131.68</b>	<b>401.79</b>	<b>20.71</b>	<b>1,513.76</b>	<b>2,220.90</b>
<b>Intangible Assets</b>									
Computer - software	166.19	96.98	-	263.17	87.80	62.50	-	150.30	112.87
<b>Total intangible assets</b>	<b>166.19</b>	<b>96.98</b>	<b>-</b>	<b>263.17</b>	<b>87.80</b>	<b>62.50</b>	<b>-</b>	<b>150.30</b>	<b>112.87</b>
<b>Capital work in progress</b>									29.79
<b>Grand total</b>	<b>3,465.86</b>	<b>605.16</b>	<b>74.19</b>	<b>3,997.83</b>	<b>1,219.48</b>	<b>464.29</b>	<b>20.71</b>	<b>1,664.06</b>	<b>2,363.56</b>

For the year ended 31 March 2011

(Amounts in ₹ in lacs)

Asset description	Gross block				Depreciation/ Amortisation				Net block
	As at 31 March 2010	Additions	Disposals/ adjustments	As at 31 March 2011	Upto 31 March 2010	Depreciation for the year	In respect of disposals/adju stments	Upto 31 March 2011	As at 31 March 2011
<b>Tangible Assets</b>									
Land:									
- freehold	48.01	-	-	48.01	-	-	-	-	48.01
- leasehold	10.96	-	-	10.96	0.80	0.12	-	0.92	10.04
Factory building	929.10	77.40	-	1,006.50	170.85	79.72	-	250.57	755.93
Leasehold improvements	461.15	70.46	34.33	497.28	190.07	94.21	3.30	280.98	216.30
Plant and machinery	768.52	223.39	-	991.91	198.80	87.89	-	286.69	705.22
Office equipment	127.19	46.19	15.09	158.29	43.49	15.93	0.31	59.11	99.18
Computer - hardware	86.52	18.35	4.68	100.19	37.40	23.63	1.22	59.81	40.38
Furniture and fittings	215.88	112.22	39.33	288.77	87.32	35.69	0.35	122.66	166.11
Vehicles	241.21	44.66	88.11	197.76	74.37	45.40	48.83	70.94	126.82
<b>Total tangible assets</b>	<b>2,888.54</b>	<b>592.67</b>	<b>181.54</b>	<b>3,299.67</b>	<b>803.10</b>	<b>382.59</b>	<b>54.01</b>	<b>1,131.68</b>	<b>2,167.99</b>
<b>Intangible Assets</b>									
Computer - software	149.32	18.56	1.69	166.19	37.25	50.61	0.06	87.80	78.39
Total intangible assets	149.32	18.56	1.69	166.19	37.25	50.61	0.06	87.80	78.39
<b>Capital work in progress</b>									50.19
<b>Grand total</b>	<b>3,037.86</b>	<b>611.23</b>	<b>183.23</b>	<b>3,465.86</b>	<b>840.35</b>	<b>433.20</b>	<b>54.07</b>	<b>1,219.48</b>	<b>2,296.57</b>

**ANNEXURE XIV: CONSOLIDATED STATEMENT OF DEFERRED TAX ASSETS (NET), AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Excess of depreciation and amortisation provided in accounts over depreciation allowed under the Income Tax Act, 1961 *	152.68	51.00	61.52	41.73	17.28
Deferred Tax Impact on restatement (Refer Note 5 of Annexure IV part A)	-	24.78	19.94	15.22	10.20
Provision for employee benefits	94.07	65.83	57.54	48.27	45.68
Lease equalization and other items allowable on payment basis	28.47	43.71	41.01	39.03	33.84
Provision for doubtful debts	52.95	48.37	32.72	26.02	11.43
Others	10.20	-	-	-	0.12
<b>Deferred Tax Assets (Net) #</b>	<b>338.37</b>	<b>233.69</b>	<b>212.73</b>	<b>170.27</b>	<b>118.55</b>
# Excluding deferred tax assets** of subsidiary company which is not recognised due to absence of virtual certainty as supported by the convincing evidence to realise the deferred tax assets in the near future	94.53	90.38	125.67	39.43	-
** Net of deferred tax liabilities of subsidiary company	5.42	8.56	7.68	0.91	-

**ANNEXURE XV: STATEMENT OF LOANS AND ADVANCES (LONG TERM AND SHORT TERM), AS RESTATED**

Particulars	<i>(Amounts in ₹ in lacs)</i>				
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>Loans and Advances</b>					
(A) Long-term loans and advances					
Unsecured and considered good					
To parties other than related:					
Capital advances	6.21	37.49	2.74	138.18	135.01
Security deposits	287.16	255.83	228.86	203.18	412.11
Prepaid expenses	0.44	0.47	0.65	0.37	0.35
Advance Income tax and wealth tax (Net of Provision)*	10.32	1.44	0.40	0.40	-
MAT credit entitlement	10.08	10.08	-	-	-
To related parties:					
Security deposits					
- Narinder Singh Dhingra	24.00	24.00	24.00	24.00	24.00
- PMW Estate LLP	58.65	58.65	58.65	58.65	29.33
<b>Total (A)</b>	<b>396.86</b>	<b>387.96</b>	<b>315.30</b>	<b>424.78</b>	<b>600.80</b>
(B) Short-term loans and advances					
Unsecured and considered good					
Value added tax and duty drawback recoverable	11.30	11.09	9.84	63.09	127.15
Prepaid expenses	82.81	38.21	34.94	28.05	17.08
Advances to vendors	69.54	47.44	19.05	48.47	40.31
Advances to employees	24.58	3.08	1.04	1.54	0.99
<b>Total (B)</b>	<b>188.23</b>	<b>99.82</b>	<b>64.87</b>	<b>141.15</b>	<b>185.53</b>
* Provision for Tax	1,126.00	934.40	-	0.82	-

**Amounts due from promoters / promoter group companies/ directors/ relatives of directors**

Name of entity	<i>(Amounts in ₹ in lacs)</i>				
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Narinder Singh Dhingra	24.00	24.00	24.00	24.00	24.00
PMW Estate LLP	58.65	58.65	58.65	58.65	29.33
<b>Total</b>	<b>82.65</b>	<b>82.65</b>	<b>82.65</b>	<b>82.65</b>	<b>53.33</b>

**ANNEXURE XVI: CONSOLIDATED STATEMENT OF OTHER NON CURRENT ASSETS, AS RESTATED***(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Bank deposits (due to mature after 12 months from the reporting date)	15.30	24.25	22.43	20.37	18.04

**ANNEXURE XVII: CONSOLIDATED STATEMENT OF INVENTORIES, AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
<b>Valued at the lower of cost and net realisable value</b>					
Raw materials	186.37	195.57	171.14	212.55	592.56
Accessories and consumables	216.24	236.36	184.44	286.94	358.78
Work - in- progress	142.17	143.19	125.61	104.49	548.48
Finished goods*	1,970.20	2,202.39	1,588.73	2,265.10	1,723.31
Stock- in- trade	962.10	873.09	1,027.75	633.47	79.92
Packing material	15.52	20.35	8.43	13.40	27.47
Fuel stock	2.01	13.46	16.25	13.28	6.27
	<b>3,494.61</b>	<b>3,684.41</b>	<b>3,122.35</b>	<b>3,529.23</b>	<b>3,336.79</b>
* Including goods in transit	17.10	-	-	-	-

**ANNEXURE XVIII: CONSOLIDATED STATEMENT OF TRADE RECEIVABLES, AS RESTATED**
*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
<b>Debts outstanding for a period exceeding six months from the date they become due for payment</b>					
Secured- considered good*	28.92	-	1.61	3.55	-
Unsecured- considered good	790.28	502.88	149.43	150.22	687.44
Doubtful	155.78	142.32	100.86	80.21	35.21
Less: Provision for doubtful receivable #	(155.78)	(142.32)	(100.86)	(80.21)	(35.21)
<b>Other debts</b>					
Secured- considered good	145.23	189.75	68.47	59.84	70.29
Unsecured- considered good	6,295.54	5,322.78	5,501.67	4,080.70	3,680.77
<b>Total</b>	<b>7,259.97</b>	<b>6,015.41</b>	<b>5,721.18</b>	<b>4,294.31</b>	<b>4,438.50</b>

\* Secured against security deposits received from the customers

# includes ₹ 43.94 lacs as at 31 March 2015, 31 March 2014 and 31 March 2013 in relation to foreign debtors considered doubtful and in respect of which the Parent Company has initiated process and it is under the approval from the Authorised Dealer

**Amounts due from promoters / promoter group companies/ directors/ relatives of directors**
*(Amounts in ₹ in lacs)*

<b>Name of entity</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Vardhman Creations	16.61	16.07	28.38	11.80	19.43



**ANNEXURE XIX: CONSOLIDATED STATEMENT OF CASH AND BANK BALANCES, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<b>Cash and cash equivalents</b>					
Cash in hand	4.33	7.90	2.66	1.53	0.48
Foreign currency in hand	0.30	0.33	0.15	-	-
<b>Balances with banks</b>					
-Current accounts	25.89	58.94	60.85	25.18	27.98
- Fixed deposit accounts with original maturity of three months or less	-	-	5.03	15.74	-
<b>Total -A</b>	<b>30.52</b>	<b>67.17</b>	<b>68.69</b>	<b>42.45</b>	<b>28.46</b>
<b>Other bank balance</b>					
- Bank deposits (more than 3 months and within 12 months)	11.73	-	12.87	-	-
<b>Total -B</b>	<b>11.73</b>	<b>-</b>	<b>12.87</b>	<b>-</b>	<b>-</b>
<b>Total -(A+B)</b>	<b>42.25</b>	<b>67.17</b>	<b>81.56</b>	<b>42.45</b>	<b>28.46</b>
<b>Detail of bank balances / deposits</b>					
Bank balance available on demand/ deposit with original maturity of 3 months or less included under ' cash and cash equivalent	-	-	5.03	15.74	-
Bank deposits due to mature in more than 3 months but within 12 months of the reporting date included under other bank balances *	11.73	-	12.87	-	-
Bank deposits due to mature after 12 months of the reporting date included under Other Non-Current Assets, as restated*	15.30	24.25	22.43	20.37	18.04
	<b>27.03</b>	<b>24.25</b>	<b>40.33</b>	<b>36.11</b>	<b>18.04</b>
<b>Foot notes :</b>					
* includes fixed deposits placed as security with government, bank and other authorities for sales tax and export related obligations.	<b>27.03</b>	<b>24.25</b>	<b>35.30</b>	<b>20.37</b>	<b>18.04</b>

**ANNEXURE XX: CONSOLIDATED STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED***(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Interest accrued on deposits and others	-	-	-	0.03	0.24

**ANNEXURE XXI: CONSOLIDATED STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED**
*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
<b>Sale of products</b>					
-Finished goods	9,645.85	9,085.22	7,996.79	9,045.05	9,666.51
-Traded goods	5,477.81	4,833.59	4,766.81	2,392.40	316.50
-Fabric and accessories sale	29.79	73.15	580.27	10.62	-
<b>Sale of products ( gross)</b>	<b>15,153.45</b>	<b>13,991.96</b>	<b>13,343.87</b>	<b>11,448.07</b>	<b>9,983.01</b>
Less: Excise duty	-	-	247.22	543.02	177.32
<b>Sale of products (net) (A)</b>	<b>15,153.45</b>	<b>13,991.96</b>	<b>13,096.65</b>	<b>10,905.05</b>	<b>9,805.69</b>
<b>Other Operating Income</b>					
Utilisation reversal for provision for sales return	54.22	-	-	94.83	-
Job work income	1.43	0.35	0.48	9.98	14.50
Scrap sale	0.78	1.24	4.77	3.28	-
<b>Other Operating Income (B)</b>	<b>56.43</b>	<b>1.59</b>	<b>5.25</b>	<b>108.09</b>	<b>14.50</b>
<b>Revenue From Operations (A+B)</b>	<b>15,209.88</b>	<b>13,993.55</b>	<b>13,101.90</b>	<b>11,013.14</b>	<b>9,820.19</b>
<b>Break-up of revenue from sale of products</b>					
-Manufactured: Garments	9,645.85	9,085.22	7,749.57	8,502.03	9,489.19
-Traded: Garments*	3,483.85	2,738.33	2,717.76	1,374.25	316.50
-Traded: Shoes*	1,993.96	2,095.26	2,049.05	1,018.15	-
Fabric and accessories sale*	29.79	73.15	580.27	10.62	-
	<b>15,153.45</b>	<b>13,991.96</b>	<b>13,096.65</b>	<b>10,905.05</b>	<b>9,805.69</b>

\* Represents Company's products which are manufactured by third party manufacturers on principal to principal basis.

**ANNEXURE XXII: CONSOLIDATED STATEMENT OF OTHER INCOME, AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>	<b>Recurring / Non recurring Income</b>	<b>Related / Not related to business</b>
Duty drawback	0.31	0.09	-	0.43	17.24	Recurring	Related
Interest received on deposits with banks	2.19	2.46	5.40	1.76	1.44	Recurring	Related
Royalty	-	-	-	16.16	87.51	Non-Recurring	Related
Interest income on delayed payments	50.48	45.19	73.29	46.77	37.10	Recurring	Related
Cash discount received	37.92	28.25	28.90	9.16	33.51	Recurring	Related
Foreign exchange gain (net)	5.40	2.76	13.05	18.53	7.12	Recurring	Related
Liabilities no longer required written back	-	3.88	11.49	7.35	13.61	Recurring	Related
Miscellaneous income	1.74	0.01	0.66	1.48	2.91	Recurring	Related
	<b>98.04</b>	<b>82.64</b>	<b>132.79</b>	<b>101.64</b>	<b>200.44</b>		

Notes:

The classification of income as recurring/ non-recurring and related/ non-related to business activity is based on the current operations and business activity of the Company as determined by the management.

**ANNEXURE XXIII-A: CONSOLIDATED STATEMENT OF COST OF MATERIAL CONSUMED, AS RESTATED**

*(Amounts in ₹ in lacs)*

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
<b><u>Cost of material consumed:</u></b>					
Raw materials					
Inventory of materials at the beginning of the year	195.57	167.21	216.49	592.56	5.51
Add: Purchases	2,405.81	2,681.01	2,177.02	1,980.68	2,731.27
Inventory of materials at the end of the year	(186.37)	(195.57)	(173.35)	(216.49)	(592.56)
	<b>2,415.01</b>	<b>2,652.65</b>	<b>2,220.16</b>	<b>2,356.75</b>	<b>2,144.22</b>
Accessories and consumables					
Inventory of materials at the beginning of the year	236.36	184.44	286.94	358.78	162.14
Add: Purchases	1,010.82	1,170.12	787.98	810.29	1,058.51
Inventory of materials at the end of the year	(216.24)	(236.36)	(184.44)	(286.94)	(358.78)
	<b>1,030.94</b>	<b>1,118.20</b>	<b>890.48</b>	<b>882.13</b>	<b>861.87</b>
<b>Cost of material consumed</b>	<b>3,445.95</b>	<b>3,770.85</b>	<b>3,110.64</b>	<b>3,238.88</b>	<b>3,006.09</b>

**ANNEXURE XXIII-B: CONSOLIDATED STATEMENT OF PURCHASE OF STOCK-IN-TRADE, AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
<b>Purchase of stock-in-trade:</b>					
Readymade garments	1,715.44	1,841.28	1,660.44	783.94	1,132.35
Footwear	1,526.28	1,179.63	1,804.60	899.73	-
Wallets	-	105.47	-	-	-
<b>Purchase of stock-in-trade</b>	<b>3,241.72</b>	<b>3,126.38</b>	<b>3,465.04</b>	<b>1,683.67</b>	<b>1,132.35</b>

**ANNEXURE XXIII-C: CONSOLIDATED STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE, AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
<b>Changes In Inventories Of Finished Goods, Work-In-Progress And Stock In Trade, As Restated :</b>					
<b>Inventories at the end of the year</b>					
-Finished goods					
Manufacturing	2,061.00	2,202.39	1,588.73	2,265.10	1,912.36
Trading	871.30	873.09	1,027.75	633.47	79.92
-Work-in-progress	142.17	143.19	125.61	104.49	571.59
	<b>3,074.47</b>	<b>3,218.67</b>	<b>2,742.09</b>	<b>3,003.06</b>	<b>2,563.87</b>
<b>Inventories at the beginning of the year</b>					
-Finished goods					
Manufactured	2,202.39	1,588.73	2,265.10	1,912.36	1,834.61
Trading	873.09	1,027.75	633.47	79.92	-
-Work-in-progress	143.19	125.61	104.49	571.59	318.73
	<b>3,218.67</b>	<b>2,742.09</b>	<b>3,003.06</b>	<b>2,563.87</b>	<b>2,153.34</b>
<b>Movement in excise duty on finished goods</b>	-	-	(189.88)	102.83	171.76
<b>Decrease / (increase) during the year</b>	<b>144.20</b>	<b>(476.58)</b>	<b>71.09</b>	<b>(336.36)</b>	<b>(238.77)</b>

**ANNEXURE XXIV: CONSOLIDATED STATEMENT OF EMPLOYEE BENEFITS EXPENSES, AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
Salaries, wages and bonus	1,602.71	1,374.99	1,350.20	1,428.28	1,233.64
Contribution to provident and other funds	54.95	24.20	24.86	69.72	61.24
Staff welfare	18.85	16.80	10.91	13.22	16.61
	<b>1,676.51</b>	<b>1,415.99</b>	<b>1,385.97</b>	<b>1,511.22</b>	<b>1,311.49</b>



**ANNEXURE XXV: CONSOLIDATED STATEMENT OF FINANCE COST, AS RESTATED***(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
Interest on term loans	18.16	6.67	4.43	12.92	24.45
Interest on bank overdraft	333.85	346.07	393.86	320.17	166.54
Interest on security deposits	9.87	8.41	3.85	4.49	9.44
Interest on advance tax	31.06	32.43	16.18	22.44	19.30
Other financial charges	21.88	17.11	13.87	72.55	10.45
	<b>414.82</b>	<b>410.69</b>	<b>432.19</b>	<b>432.57</b>	<b>230.18</b>

**ANNEXURE XXVI: CONSOLIDATED STATEMENT OF DEPRECIATION AND AMORTIZATION, AS RESTATED***(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
Depreciation	536.07	339.91	391.44	401.79	382.59
Amortization	50.08	45.11	56.15	62.50	50.61
	<b>586.15</b>	<b>385.02</b>	<b>447.59</b>	<b>464.29</b>	<b>433.20</b>

**ANNEXURE XXVII: CONSOLIDATED STATEMENT OF OTHER EXPENSES, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Job work charges	1,081.53	1,181.76	738.39	993.06	1,019.18
Packing material	47.01	54.42	29.66	49.74	71.11
Freight and cartage inward	25.74	16.95	15.91	17.49	19.54
Power and fuel	187.12	180.86	142.46	283.73	272.07
Rent	652.86	690.03	625.98	722.74	750.05
Rates and taxes	76.38	44.10	87.39	11.58	7.32
Insurance	20.18	17.45	15.94	14.23	12.05
Communication	41.02	35.19	29.79	27.73	27.02
Travelling and conveyance	181.71	139.00	122.84	68.82	80.37
Repairs and maintenance:					
'-Plant and machinery	19.99	26.95	17.00	24.23	32.52
'-Building	21.74	6.67	7.74	22.55	20.82
'-Others	222.97	193.53	179.39	155.11	163.60
Legal and professional charges	137.09	102.65	103.59	115.93	69.36
Auditors remuneration*	17.94	16.48	12.94	12.85	11.89
Loss on sale of fixed assets	3.63	1.27	14.73	5.80	13.15
Bad debts written off	-	-	15.91	6.51	2.51
Provision for doubtful debts	13.46	41.46	44.06	45.00	16.51
Provision against sales return	-	16.82	116.25	-	71.68
Advertisement and business promotion	330.58	392.54	483.33	338.63	318.08
Commission and discount	73.07	122.21	32.11	29.79	69.95
Other selling expenses	167.39	130.81	118.29	152.22	136.86
Freight outward	87.32	71.14	51.71	39.24	45.23
Preliminary expenses written off	-	-	-	-	5.06
Provision for contingencies	-	-	-	-	30.00
Printing & stationery	21.06	20.99	16.66	18.50	13.74
Electricity & water charges	45.40	23.85	13.91	8.39	7.50
Security charges	39.59	33.28	28.76	34.82	36.26
Miscellaneous expenses	22.25	33.76	28.24	54.55	22.32
	<b>3,537.03</b>	<b>3,594.17</b>	<b>3,092.98</b>	<b>3,253.24</b>	<b>3,345.75</b>

**Foot Note:**

\*Additional disclosure relating to auditor's remuneration

As auditors					
-Statutory audit	12.69	11.84	9.34	9.33	8.50
-Tax audit	2.45	2.28	1.50	1.78	1.50
Reimbursement of expenses including service tax	2.81	2.36	2.10	1.74	1.59
-Certification	-	-	-	-	0.30
<b>Total</b>	<b>17.95</b>	<b>16.48</b>	<b>12.94</b>	<b>12.85</b>	<b>11.89</b>

**ANNEXURE XXVIII: CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS**

Particulars	As at				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>A</b> Net Worth, As restated (₹ in lacs)	9,377.44	8,011.59	6,977.07	6,381.59	6,204.94
<b>B</b> Net profit after tax and extraordinary items, as restated (₹ in lacs)	1,478.46	1,253.23	812.75	285.28	474.19
Weighted average number of equity shares outstanding during the year					
<b>C</b> For basic earnings per share*	46,734,020	46,734,020	46,734,020	46,734,020	46,734,020
<b>D</b> For diluted earnings per share*	46,734,020	46,734,020	46,734,020	46,734,020	46,734,020
<b>E</b> Number of shares outstanding at the end of the year*	46,734,020	46,734,020	46,734,020	46,734,020	46,734,020
<b>F</b> Restated basic earnings per share (B/C)	3.16	2.68	1.74	0.61	1.01
<b>G</b> Restated diluted earnings per share (B/D)	3.16	2.68	1.74	0.61	1.01
<b>H</b> Return on net worth (%) (B/A)	15.77%	15.64%	11.65%	4.47%	7.64%
<b>I</b> Net assets value per share of ₹10 each (A/E)	20.07	17.14	14.93	13.66	13.28
<b>J</b> Face value (₹ )	10.00	10.00	10.00	10.00	10.00

1) Notes: The ratio has been computed as below

$$\text{Basic Earnings Per Share} = \frac{\text{Net profit after tax and extraordinary items, as restated}}{\text{Weighted average number of equity shares outstanding during the years}}$$

$$\text{Diluted Earnings Per Share} = \frac{\text{Net profit after tax and extraordinary items, as restated}}{\text{Weighted average number of potential equity shares outstanding during the years}}$$

$$\text{Return On Net Worth (\%)} = \frac{\text{Net profit after tax and extraordinary items, as restated}}{\text{Net worth as restated as at years end}}$$

$$\text{Net asset value per share (₹)} = \frac{\text{Net worth, as restated}}{\text{Number of equity shares as at years end}}$$

2. Earning per shares (EPS) calculation is in accordance with the notified Accounting Standard 20 'Earnings per share'.

3. The figures disclosed above are based on the Restated Summary Statements of the Group.

4. There has been no revaluation reserve during any of the years

\* Including 37,387,216 equity shares of ₹ 10 each issued as bonus shares to the existing shareholders of the parent company in the ratio of 4 shares for every 1 share held.

**ANNEXURE XXIX: CONSOLIDATED CAPITALISATION STATEMENT AS AT 31 MARCH 2015, AS RESTATED**

*(Amounts in ₹ in lacs)*

Particulars	Pre Issue As at 31 March 2014	Post Issue
<b>Borrowings :</b>		
Short Term	2,178.42	[●]
<b>Long Term (A)</b>	261.97	[●]
<b>Total Borrowings (B)</b>	<b>2,440.39</b>	<b>[●]</b>
<b>Shareholders' Fund, As restated</b>		
Share Capital*	4,673.40	[●]
Reserve and Surplus, As restated	4,704.04	[●]
<b>Total Shareholders' Fund, As restated (C)</b>	<b>9,377.44</b>	<b>[●]</b>
Long Term Borrowings / Equity Ratio (A/C)	2.79%	[●]
Total Borrowings / Equity Ratio (B/C)	26.02%	[●]

Notes:

1. The long term borrowings/equity ratio have been computed as under:  
Long term borrowings / total Shareholders' Funds
2. The total borrowings/equity ratio have been computed as under:  
Total borrowings / Total Shareholders' Funds
3. Short term borrowings is considered as borrowing due within 12 months from the balance sheet date.
4. Long term borrowings is considered as borrowing other than short term borrowing, as defined above and also includes the current maturities of long term borrowings.
5. The figures disclosed above are based on the Restated Summary Statements of assets and liabilities of the Group.

**ANNEXURE XXX: STATEMENT OF TAX SHELTER, AS RESTATED**
*(Amounts in ₹ in lacs)*

Particulars	For the Year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Profit Before Tax, As Restated (A)	2,261.54	1,849.67	1,229.19	670.61	800.34
Tax rate - statutory rate (B)	33.99%	33.99%	32.45%	32.45%	33.22%
<b>Tax as per actual rate on profits (C = A*B )</b>	<b>768.70</b>	<b>628.70</b>	<b>398.81</b>	<b>217.58</b>	<b>265.85</b>
Adjustments:					
<b>Permanent Differences</b>					
Expenses incurred on increase of Authorized share capital	37.92	-	-	-	-
Profit on transfer of business to subsidiary	-	-	-	-	125.15
Interest	31.25	32.61	17.23	24.96	19.30
Others	3.38	19.95	3.72	108.23	29.47
<b>Total Permanent Differences (D)</b>	<b>72.55</b>	<b>52.56</b>	<b>20.95</b>	<b>133.19</b>	<b>173.92</b>
<b>Timing difference</b>					
Excess of depreciation and amortisation provided in accounts over depreciation allowed under the Income Tax Act, 1961	226.25	(16.70)	75.52	90.84	83.90
Provision For Retirement benefits	83.09	24.40	28.55	8.01	42.51
Rent charges straight lining	(44.84)	7.94	6.10	15.99	28.47
Provision for Doubtful Debts	13.46	46.04	20.65	45.00	12.70
Unabsorbed losses	2.98	(101.23)	286.67	124.34	
Others	(3.22)	(46.26)	(253.31)	(259.12)	35.27
<b>Total Timing difference ( E)</b>	<b>277.72</b>	<b>(85.81)</b>	<b>164.18</b>	<b>543.30</b>	<b>202.85</b>
Total Adjustments (F = D+E)	350.27	(33.25)	185.13	676.48	376.77
Tax On Adjustments ( G=F*B)	119.06	(11.30)	60.07	219.49	125.15
Tax Liability on Restated Profits (I=C+G)	887.76	617.40	458.88	437.07	391.00

Notes:

1. The permanent/ timing differences for the year ended 31 March 2014, 2013, 2012 and 2011 have been computed based on the tax computations of Income-tax returns of the respective years.
2. Statutory tax rate includes applicable surcharge, education cess and higher education cess of the year concerned.

**ANNEXURE XXXI: CONSOLIDATED STATEMENT OF DIVIDENDS DECLARED, AS RESTATED**

*(Amounts in ₹ in lacs)*

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>
<b>Equity share capital</b>					
Issued number of shares of face of ₹10 each *	9,346,804	9,346,804	9,346,804	9,346,804	9,346,804
Rate of dividend (%)	10.00%	20.00%	20.00%	10.00%	-
Amount of dividend	93.47	186.94	186.94	93.47	-
Total corporate dividend tax	19.14	31.77	30.33	15.16	-

\* Excluding 37,387,216 equity shares of ₹ 10 each issued as bonus shares to the existing shareholders of the parent company in the ratio of 4 shares for every 1 share held, post declaration of dividend.

## ANNEXURE XXXII: STATEMENT OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS

Information on related party disclosures as per Accounting Standard-18 on Related Party Disclosures is given below:

a) List of related parties

Nature of related party relationship	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Ownership of more than half of the voting power</b>	Mr. Narinder Singh Dhingra	Mr. Narinder Singh Dhingra	Mr. Narinder Singh Dhingra	Mr. Narinder Singh Dhingra	Mr. Narinder Singh Dhingra
<b>Key managerial personnel</b>	Mr. Narinder Singh Dhingra, Chairman and Managing Director	Mr. Narinder Singh Dhingra, Chairman and Managing Director	Mr. Narinder Singh Dhingra, Chairman and Managing Director	Mr. Narinder Singh Dhingra, Chairman and Managing Director	Mr. Narinder Singh Dhingra, Chairman and Managing Director
	Mrs. Rohini Singh Dhingra, Executive Director	Mrs. Rohini Singh Dhingra, Executive Director	Mrs. Rohini Singh Dhingra, Executive Director	Mrs. Rohini Singh Dhingra, Executive Director	Mrs. Rohini Singh Dhingra, Executive Director
	Mr. Rajiv Jain, Chief Operating Officer	Mr. Rajiv Jain, Chief Operating Officer	Mr. Rajiv Jain, Chief Operating Officer	Mr. Rajiv Jain, Chief Operating Officer	Mr. Rajiv Jain, Chief Operating Officer
			Mr. Badal Chaudhry, Chief Executive Officer (upto 25 June 2012)	Mr. Badal Chaudhry, Chief Executive Officer	Mr. Badal Chaudhry, Chief Executive Officer
		Mr. Lalit Huria, Chief Finance Officer (till 11 Nov 2013)	Mr. Lalit Huria, Chief Finance Officer	Mr. Lalit Huria, Chief Finance Officer (from 6 May 2011)	
	Mr. Rajesh Mittal, Chief Finance Officer	Mr. Rajesh Mittal, Chief Finance Officer (with effect from 24 Oct 2013)			
<b>Relatives of key managerial personnel</b>	Mr. Iqbal Singh Dhingra	Mr. Iqbal Singh Dhingra	Mr. Iqbal Singh Dhingra	Mr. Iqbal Singh Dhingra	Mr. Iqbal Singh Dhingra
	Mrs. Manjit Kaur Dhingra (Director)	Mrs. Manjit Kaur Dhingra (Director)	Mrs. Manjit Kaur Dhingra (Director)	Mrs. Manjit Kaur Dhingra (Director)	Mrs. Manjit Kaur Dhingra (Director)
			Mrs. Mriganka Chaudhry	Mrs. Mriganka Chaudhry	Mrs. Mriganka Chaudhry
		Mrs. Shraya Lata Huria	Mrs. Shraya Lata Huria	Mrs. Shraya Lata Huria	
	Mr. Shyam Mittal, Financial Analyst				
<b>Enterprise having significant influence</b>	AA Development Capital India Fund I, LLC	AA Development Capital India Fund I, LLC	AA Development Capital India Fund I, LLC	AA Development Capital India Fund I, LLC	AA Development Capital India Fund I, LLC
<b>Enterprises over which key managerial person or their relatives have significant influence</b>	PMW Estates LLP#	PMW Estates LLP#	PMW Estates LLP#	PMW Estates LLP#	PMW Estates LLP#
	W.G. Hospitality	W.G. Hospitality	W.G. Hospitality	W.G. Hospitality	W.G. Hospitality
		IFCA Bottling Co. Limited	IFCA Bottling Co. Limited	IFCA Bottling Co. Limited	IFCA Bottling Co. Limited
	Vardhman Creations	Vardhman Creations	Vardhman Creations	Vardhman Creations	Vardhman Creations



b) Transactions between the Group and related parties and the status of outstanding balances are as follows:

(Amounts in ₹ in lacs)

S.No	Transaction	Relation Ship	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
(i)	<b>Rent paid</b>						
	Mr. Narinder Singh Dhingra	Key managerial personnel	88.99	88.99	88.99	79.42	79.42
	Mrs. Manjit Kaur Dhingra	Relatives of key managerial personnel	1.53	6.12	5.38	5.31	4.62
	PMW Estates LLP#	Enterprises where key managerial personnel and their relatives have significant influence	89.43	89.43	78.98	76.60	64.69
(ii)	<b>Remuneration paid (refer note below)</b>						
	Mr. Narinder Singh Dhingra	Key managerial personnel	84.00	79.20	79.20	72.00	72.00
	Mrs. Rohini Singh Dhingra	Key managerial personnel	67.81	61.64	61.64	56.04	56.04
	Mr. Iqbal Singh Dhingra	Relatives of key managerial personnel	14.11	12.83	11.88	8.76	5.76
	Mr. Rajiv Jain	Key managerial personnel	28.83	26.30	24.56	23.74	20.60
	Mr. Badal Chaudhry	Key managerial personnel	-	-	21.50	21.83	31.38
	Mr. Lalit Huria	Key managerial personnel	-	25.98	33.60	28.60	-
	Mr. Rajesh Mittal	Key managerial personnel	30.20	13.23	-	-	-
	Mr. Shyam Mittal	Relatives of key managerial personnel	5.34	-	-	-	-
(iii)	<b>Interest paid</b>						
	Mrs. Manjit Kaur Dhingra	Relatives of key managerial personnel	1.41	1.88	1.88	1.88	1.88
	IFCA Bottling Co. Limited	Enterprises where key managerial personnel and their relatives have significant influence	-	1.77	3.96	3.96	4.06
(iv)	<b>Consultancy charges</b>						
	Mrs. Mriganka Chaudhry	Key managerial personnel	-	-	3.58	8.82	8.82
	Mrs. Sharya Lata Huria	Key managerial personnel	-	3.29	5.28	4.32	-
(v)	<b>Expenses reimbursed</b>						
	W.G.Hospitality	Enterprises where key managerial personnel and their relatives have significant influence	5.34	0.96	6.58	1.16	2.02
(vi)	<b>Sale of finished goods/ raw materials/Job work</b>						
	Mr. Narinder Singh Dhingra	Key managerial personnel	0.59	0.26	0.40	0.13	0.45
	Mrs. Rohini Singh Dhingra	Key managerial personnel	-	0.06	0.10	0.09	-
	Mr. Iqbal Singh Dhingra	Relatives of key managerial personnel	0.43	0.38	0.15	0.18	-
	Vardhman Creations	Enterprises where key managerial personnel and their relatives have significant influence	177.48	127.46	171.48	131.98	164.86
(vii)	<b>Security deposit given against rent</b>						
	PMW Estates LLP#	Enterprises where key managerial personnel and their relatives have significant influence	-	-	-	29.33	29.33
(viii)	<b>Loan Repaid</b>						
	IFCA Bottling Limited	Enterprises where key managerial personnel and their relatives have significant influence	-	33.00	-	-	2.00
	Mr. Narinder Singh Dhingra	Key managerial personnel	-	10.00	-	-	-
	Mrs. Manjit Kaur Dhingra	Relatives of key managerial personnel	15.65	-	-	-	-

S.No	Transaction	Relation Ship	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
(ix)	<b>Unsecured Loan Taken</b>						
	Mr. Narinder Singh Dhingra	Key managerial personnel	-	-	-	10.00	-
	<b>Balance outstanding as at the year end</b>						
	Security deposit against Rent						
	Mr. Narinder Singh Dhingra	Key managerial personnel	24.00	24.00	24.00	24.00	24.00
	PMW Estates LLP#	Enterprises where key managerial personnel and their relatives have significant influence	58.65	58.65	58.65	58.65	29.33
	<b>Rent Payable</b>						
	PMW Estates LLP#	Enterprises where key managerial personnel and their relatives have significant influence	-	-	1.22	10.78	-
	Unsecured Loan Payable						
	Mrs. Manjit Kaur Dhingra	Relatives of key managerial personnel	-	15.65	15.65	15.65	15.65
	IFCA Bottling Co. Limited	Enterprises where key managerial personnel and their relatives have significant influence	-	-	33.00	33.00	33.00
	Mr. Narinder Singh Dhingra	Key managerial personnel	-	-	10.00	10.00	-
	<b>Salary Payable</b>						
	Mr. Narinder Singh Dhingra	Key managerial personnel	3.01	3.09	3.04	3.00	3.78
	Mrs. Rohini Singh Dhingra	Key managerial personnel	3.95	3.84	3.64	4.37	3.69
	Mr. Iqbal Singh Dhingra	Relatives of key managerial personnel	0.97	0.97	0.84	0.54	0.44
	Mr. Rajiv Jain	Key managerial personnel	1.69	1.42	1.40	1.47	1.14
	Mr. Badal Chaudhry	Key managerial personnel	-	-	-	1.28	1.34
	Mr. Lalit Huria	Key managerial personnel	-	-	1.68	5.44	-
	Mr. Rajesh Mittal	Key managerial personnel	2.20	2.56	-	-	-
	Mr. Shyam Mittal	Relatives of key managerial personnel	0.75	-	-	-	-
	Trade Payable						
	Mrs. Mriganka Chaudhry	Key managerial personnel	-	-	-	0.66	0.66
	Mrs. Shraya Lata Huria	Key managerial personnel	-	-	0.40	0.36	-
	<b>Trade Receivable</b>						
	Vardhman Creations	Enterprises where key managerial personnel and their relatives have significant influence	16.61	16.07	28.38	11.80	19.43

# PMW Estates LLP was formerly known as Precision Metal Works India Private Limited.

Note:

1. Term loans and working capital facilities availed by the Company from banks are covered by personal guarantees of two Directors and their relatives.
2. Remuneration paid does not include expense in respect of gratuity and compensated absences as the same is determined on an actuarial basis for the Company as a whole.
3. The Company had formed a Employee Stock Option Plan (ESOP) trust in the name of NUCL Employee Welfare Trust (the "Trust") during year ended 31 March 2009. Directors of the Company are trustee of the trust. The shares held by the Trust in 31st March 2015 : 1,040,000 \* , 31st March 2014 : 208,000 , 31st March 2013 : 208,000 , 31st March 2012 : 208,000 and 31st March 2011 : 208,000

\* Including effect of bonus shares issued during the current year in the ratio of four shares for every one share held by each shareholder of the Company.

**ANNEXURE XXXIII: CONSOLIDATED STATEMENT OF SEGMENT REPORTING, AS RESTATED**

The Group is primarily engaged in the manufacture and sale of garments and accessories comprising a single business segment. Accordingly, the disclosure relating to primary segment reporting is not considered necessary.

**Disclosure on Secondary geographical segment:**

*Applicable only for the years ended 31 March 2011 and 31 March 2012.*

**For year ended 31 March 2012**

Particulars	<i>(Amounts in ₹ in lacs)</i>		
	India	Outside India	Total
Revenue, net of excise duty and other operating income	10,345.46	667.68	11,013.14
Carrying amount of Segment Assets	10,759.36	56.52	10,815.88
Capital Expenditure	584.76	-	584.76

**For year ended 31 March 2012**

Particulars	<i>(Amounts in ₹ in lacs)</i>		
	India	Outside India	Total
Revenue, net of excise duty and other operating income	9,417.49	402.70	9,820.19
Carrying amount of Segment Assets	10,904.94	-	10,904.94
Capital Expenditure	510.39	-	510.39

**ANNEXURE XXXIV: OTHER NOTES TO SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS, AS RESTATED (ANNEXURE II) AND SUMMARY OF CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED (ANNEXURE I)**

**1. Contingent liabilities, capital commitments and claims against the Group not acknowledged as debt**

		(₹ in lacs)				
S. no	Particulars	As at				
		31 March 15	31 March 14	31 March 13	31 March 12	31 March 11
<b>a.</b>	<b>Contingent liability*</b>					
	- Value added tax	46.57	46.57	46.57	-	-
	- Other claims against the Company not acknowledged as debt	27.20	27.20	27.20	45.14	45.14
<b>b.</b>	<b>Capital commitment</b>					
	Amounts of contracts remaining to be executed on capital account (net of advances)	23.59	19.35	15.54	-	6.38
<b>c.</b>	<b>Other Commitments</b>					
	Export obligation of under Export Promotion Capital Goods (EPCG) Scheme	46.47	17.73	40.54	40.54	

\*Further, the Company has purchased land from state government, Haryana State Industrial Development Corporation ('HSIDC') in year earlier than 31 March 2011. As per the agreement, the Company may be required to pay additional consideration which is dependent upon the outcome of the future settlements with the erstwhile owners of the land. During the current year, the Company has capitalized ₹83.25 lacs towards this additional consideration as cost of freehold land.

**2. CIF value of imports, Expenditure in foreign currency, Value of imported and indigenous raw materials and accessories consumed, Operating lease and Foreign currency exposure**

**a) CIF Value of Imports:**

		(₹ in lacs)				
Particulars	For the years ended					
	31 March 15	31 March 14	31 March 13	31 March 12	31 March 11	
Raw material	-	-	-	30.75	37.23	
<b>Traded Goods</b>						
-Garment	55.41	-	248.82	141.34	86.12	
-Shoes	197.57	154.29	1,426.37	112.30	-	
-Samples	15.31	11.36	6.68	10.96	11.52	
Accessories	-	79.25	-	97.66	78.97	
Tangible fixed assets	97.17	-	77.77	48.72	61.86	
	<b>365.46</b>	<b>244.90</b>	<b>1,759.64</b>	<b>441.73</b>	<b>275.70</b>	

**b) Expenditure in foreign currency:**

		(₹ in lacs)				
Particulars	For the years ended					
	31 March 15	31 March 14	31 March 13	31 March 12	31 March 11	
Foreign travelling	43.84	20.91	8.10	7.52	16.44	
Business promotion	-	0.45	9.88	3.46	0.91	
Design & Consultancy charges	9.41	2.94	12.56	10.55	8.66	
Machinery repair and maintenance	0.48	1.30	-	0.76	0.76	
	<b>53.73</b>	<b>25.60</b>	<b>30.54</b>	<b>22.29</b>	<b>26.77</b>	

**c) Value of imported and indigenous raw material and accessories consumed:**

(₹ in lacs)					
Particulars	31 March 15	31 March 14	31 March 13	31 March 12	31 March 11
Indigenous	3,442.26	3,760.98	3,101.83	3,154.00	2,901.48
Imported	3.69	9.87	8.81	84.88	104.61
	<b>3,445.95</b>	<b>3,770.85</b>	<b>3,110.64</b>	<b>3,238.88</b>	<b>3,006.09</b>
Indigenous	99.89%	99.74%	99.72%	97.38%	96.52%
Imported	0.11%	0.26%	0.28%	2.62%	3.48%
	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**d) Foreign currency exposure:**

The Company's net foreign currency exposure in receivables that are not hedged by any derivative instrument or otherwise, is as under:

(₹ in lacs)					
Particulars	As at				
	31 March 15	31 March 14	31 March 13	31 March 12	31 March 11
Receivable in GBP	-	0.79	-	-	-
Payable in GBP	0.82	-	-	0.79	3.06
Payable in USD	-	-	0.05	-	-
INR	51.54	56.52	2.51	56.52	223.28
<b>Foreign currency in hand</b>					
USD	0.00*	0.01	0.00*	-	-
INR	0.30	0.33	0.15	-	-

\*Rounded off to NIL in ₹ lacs.

**e) Operating lease:**

The Company has taken various premises on operating lease. The lease agreements generally have a lock-in-period as below and are cancellable at the option of the lessee thereafter. Majority of the leases have escalation terms after certain years and are extendable by mutual consent on expiry of the total term of lease.

(₹ in lacs)					
Particulars	As at	As at	As at	As at	As at
	31 March 15	31 March 14	31 March 13	31 March 12	31 March 11
Lock in period	One to three years	One to three years	One to two years	One to two years	One to two years
The minimum lease rentals payable on long term leases are as under:					
Within one year	63.68	61.11	52.62	351.11	424.33
Later than one year but not more than five year	29.93	47.03	9.06	1,154.21	1,594.27
More than five years	-	-	-	343.42	730.33
<b>Total</b>	<b>93.61</b>	<b>108.14</b>	<b>61.68</b>	<b>1,848.74</b>	<b>2,748.93</b>

**3. Other significant notes**

- a) During the financial year 2010-11 the parent company had entered into a Brand Licensing Agreement with a party, being the brand owner, for manufacturing and sale of certain branded items in India. On the basis of the agreement, an amount of ₹ 192.81 lacs was payable by the parent company to the brand owner as royalty for past years as at 31 March 2012. The parent company and the brand owner had referred to the arbitrator as the amount came under a dispute. During 2012-13, the parent company has entered into an agreement with the brand owner for a full and final settlement of the disputed royalty at an amount of ₹ 389.44 lacs. Out of this, the parent company had paid an amount of ₹ 79.19 lacs to the brand owner. The parent company has an undertaking from its promoter that in case of any loss to the parent company due to the Brand Licensing Agreement, the promoter shall meet the shortfall. The parent company has

accordingly paid ₹ 130.25 lacs in the year 2012-13 and ₹120 lacs in the year 2013-14 to the brand owner and received reimbursement of the same from the promoter in respective year. The balance amount of ₹ 60 lacs is paid by the parent company and reimbursed by the promoter to the parent company during the year ended 31 March 2015. There is no outstanding balance as on 31 March 2015.

- b) The parent company has recoverable balance from certain customers amounting to ₹ 687.37 lacs and ₹ 777.14 lacs as at 31 March 2015 and 31 March 2014 respectively. The balance excludes any interest on delayed payment which is generally levied by the Parent Company as per its contractual terms and recognized when it is not unreasonable to expect the ultimate collection by the Parent Company. As a consequence of certain disputes, the Company has discontinued its business with these customers and has initiated steps (including legal recourse wherever considered necessary) to recover the outstanding balance. As per the facts/ circumstances of the case and legal advice, wherever applicable, the management believes that there exists favorable chances of recovering at least the outstanding balance (excluding interest thereon) and therefore, no provision has been made in the financial statements
- c) As per the requirements of sub section (5) of section 135 of the Companies Act, 2013 the parent company was required to spend at least two per cent of its average net profits for the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility (CSR) Policy. Accordingly, the Company had to spend a minimum of ₹27.60 lacs during the current financial year towards CSR activities. During the current year, the Company has adopted a strategy whereby certain long term programs will be undertaken by the Company for the social and economic welfare of villages. As the process of evaluating and identifying specific program is in progress, no amount was incurred on CSR during the year ended 31 March 2015.

**4. Details of by entity composition (separately identifying share of minority interest) of consolidated net assets (total assets minus total liabilities) and consolidated profit and loss including share of entities in the Group for :**

₹ in lacs

Share in Net Assets	For the years ended				
	31 March 15	31 March 14	31 March 13	31 March 12	31 March 11
Share of subsidiary	236.90	306.50	282.51	185.91	574.80
Share of Parent	9,140.53	7,705.10	6,694.56	6,195.68	5,630.16
Consolidated restated net assets	<b>9,377.43</b>	<b>8,011.60</b>	<b>6,977.08</b>	<b>6,381.59</b>	<b>6,204.95</b>
% Share of subsidiary	2.53%	3.83%	4.05%	2.91%	9.26%
% Share of Parent	97.47%	96.17%	95.95%	97.09%	90.74%
Amount of Net assets attributable to Minority*	0.00	0.00	0.00	0.00	0.00
% of net assets attributable to minority*	0.00%	0.00%	0.00%	0.00%	0.00%

\* Rounded off to NIL in ₹ lacs

₹ in lacs

Share in Profit and loss	For the years ended				
	31 March 15	31 March 14	31 March 13	31 March 12	31 March 11
Share of subsidiary	36.94	(4.44)	(117.84)	(674.38)	(5.06)
Share of Parent	1,441.52	1,257.67	930.59	959.66	479.24
Consolidated restated net assets	<b>1,478.46</b>	<b>1,253.23</b>	<b>812.75</b>	<b>285.28</b>	<b>474.19</b>
% Share of subsidiary	2.50%	(0.35%)	(14.50%)	(236.40%)	(1.07%)
% Share of Parent	97.50%	100.35%	114.50%	336.40%	101.07%
Amount of Net assets attributable to Minority*	0.01	0.00	0.00	0.00	0.00
% of net assets attributable to minority*	0.00%	0.00%	0.00%	0.00%	0.00%

\* Rounded off to NIL in ₹ lacs

## 5. Employee benefit plan:

The Group operates a gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Group at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the Group whichever is earlier. However the condition of completion of 5 years of service is not applicable where separation is on account of disability or death of an employee. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of “The Payment of Gratuity Act, 1972”.

₹ in lacs

Particulars	For the years ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
<b>Changes in the present value of defined benefit obligation</b>					
Defined benefit obligation as at the beginning of the years	148.89	133.30	105.30	102.66	66.12
Service cost	30.83	20.17	19.51	16.98	40.67
Interest cost	13.55	10.66	9.05	8.21	5.02
Actuarial loss/(gain)	27.09	(14.06)	18.96	(15.49)	(4.33)
Benefits paid	(6.37)	(1.18)	(19.52)	(7.05)	(1.09)
Adjustment on transfer of business	-	-	-	-	(3.73)
<b>Defined benefit obligation as at the end of the years</b>	<b>213.99</b>	<b>148.89</b>	<b>133.30</b>	<b>105.31</b>	<b>102.66</b>
<b>Expense/ (Income) recognized in the Profit and Loss Account</b>					
Service cost	30.83	20.17	19.51	16.98	40.67
Interest cost on benefit obligation	13.55	10.66	9.05	8.21	5.02
Net actuarial (gain)/loss recognised in the years	27.09	(14.06)	18.96	(15.49)	(4.33)
<b>Net gratuity cost</b>	<b>71.47</b>	<b>16.77</b>	<b>47.52</b>	<b>9.69</b>	<b>41.36</b>
<b>Assumptions</b>					
Discount rate	7.80%	9.10%	8.00%	8.00%	8.00%
Long term rate of compensation increase	10.00%	8.00%	8.00%	7.50%	7.50%
<b>Experience adjustments</b>					
Present Value of Obligation	213.99	148.89	133.30	105.31	102.66
Experience adjustments on plan liabilities- Gain/(Loss)	2.76	5.71	2.05	(5.58)	26.94

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

*You should read the following discussion of our financial condition and results of operations together with our restated consolidated financial information as of and for the years ended March 31, 2012, 2013, 2014 and 2015 all prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section titled "Financial Statements" on page 180 of this Draft Red Herring Prospectus.*

*Unless otherwise indicated in this section, financial information included in this section have been derived from our restated consolidated financial information for the years ended March 31, 2012, 2013, 2014 and 2015. For further information, see the chapter titled "Presentation of Financial, Industry and Market Data" on page 13 of this Draft Red Herring Prospectus.*

*These financial statements have been prepared in accordance with Indian GAAP and the Companies Act. Indian GAAP differs in certain significant respects from U.S. GAAP, IFRS and Ind AS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS or Ind AS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.*

*This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward-Looking Statements" on pages 16 and 15 respectively, of this Draft Red Herring Prospectus, respectively.*

*The industry information herein has not been prepared or independently verified by us or any of our advisors including the BRLMs, and should not be relied on as if it had been so prepared or verified. We accept responsibility for accurately reproducing such information, data and statistics and as far as we are aware, no facts have been omitted that would render such information misleading. We accept no further responsibility in respect of such information, data and statistics including updating the data and statistics to the date of this Draft Red Herring Prospectus. Such information, data and statistics may be approximations or use rounded numbers.*

*References to the "Company", "we", "us" and "our" refer to Numero Uno Clothing Limited and its Subsidiaries, as applicable in the relevant fiscal period, on a consolidated basis, unless otherwise stated.*

### BUSINESS OVERVIEW

Numero Uno is one of India's leading jeanswear brands built over 25 years (*Source: IMaCS Indian Clothing Industry Report, 2015*) with a comprehensive casualwear product range. We have an extensive distribution network with 185 exclusive stores, 23 LFS and 38 Hypermarkets in addition to over 500 retail outlets pan-India. Our manufacturing facilities are augmented by our dedicated in-house design and product development team. Our Company's core competency lies in our deep understanding of our customers' buying preferences and behavior over two decades across the Indian market.

Our Company is led by a first generation entrepreneur Narinder Singh Dhingra, who with a vision of creating a jeanswear brand at par with leading international brands, entered the apparel business of manufacturing and wholesaling jeanswear under the brand name "Numero Uno". For the complete details of the history of our Company, please refer to the chapter titled "History and Certain Corporate Matters" on page 152 of this Draft Red Herring Prospectus.

Numero Uno is our flagship brand. We primarily cater to Mid- Premium to Premium branded apparel segment for men and women offering a diverse product range which, among others, includes jeans, trousers, shirts, jackets, blazers, sweaters, T-shirts, sweatshirts, shorts, etc. We also offer an extensive range of accessories such as the complete range of footwear, belts, wallets, scarves, perfumes and deodorants. Our production activities are mainly carried on in accordance with the 'Make to Order' policy. Since Fiscal 2006 till Fiscal 2015, our



Company has sold over 120 lac units pan India.

We serve our pan-India customers through a range of channels such as retail, wholesale and e-commerce. Our comprehensive distribution approach includes Company Owned Company Operated (COCO) stores, Franchisee operated Exclusive Brand Outlets (EBOs), Multi Brand Outlets (MBOs), Large Format Stores (LFS), Hypermarkets and multiple e-commerce platforms. To ensure better visibility and maximum footfalls, our stores are situated at highstreets, malls, mini malls at prominent locations in major metros, mini-metros, large cities and other Tier II and Tier III cities. We believe that this strategy has enabled us to develop a strong brand loyalty of our brand 'Numero Uno'.

As on March 31, 2015, we are present through 25 COCO stores, 160 Franchisee Operated EBO's, 528 MBO's, 23 LFS and 38 Hypermarkets. Our extensive retail and wholesale network is spread across 288 cities pan-India. We have also entered into distribution agreements with some of the leading e-commerce platforms such as Myntra amongst others. In addition, pursuant to our growth plans, we have also executed 9 LOIs/ MoUs and 3 agreements to open new COCO stores at various locations across India.

We have two manufacturing facilities located at Gurgaon, Haryana and Selaqui, Uttarakhand. We commenced our commercial production at Gurgaon and Selaqui in the years 2006 and 2007 respectively. We operate through specialised machineries which we believe differentiates us from most of the other players. Pursuant to our growth plans, we are in process of shifting the entire manufacturing operations to Selaqui from Gurgaon and product development and warehousing to Manesar from Gurgaon. We will derive significant benefits from shifting our manufacturing facility including: reduced rent, lower energy costs and lower operating costs.

Our Company also has a dedicated in-house design and merchandising team of 70 members who develop and create styles that meet the latest fashion trends. We believe this differentiates us from other players in the Industry as each of our manufacturing activity is sourced, conceptualised and designed from these in-house team of professionals. This has helped us to emerge over the years as one of the leading indigenous manufacturer of jeans and casual wear in India.

Our design studio consists of in-house designers, merchandisers, pattern makers and sample makers, who keep pace with international trends and add innovative features to our products through their creativity and market intelligence gained by visiting international fashion markets subscribing to global fashion trend forecasting websites as well as fashion magazines and journals etc. Our design studio is equipped with latest software and requisite hardware like digitizer, pattern grader, sampling, sample analyzer and specialized sewing machines that allow us to launch the latest fashion trends into the market. Further, with the help of machineries sourced from Jeanologia, it gives our design team a technical advantage to develop designs based on its technology. We believe that our continued collaboration between design and merchandising teams, well-established product development & production teams supported by firm processes ensures that we respond to consumer preferences and market trends with new innovative product offerings while maintaining our core fashion foundation.

As on March 31, 2015, we had a total workforce of 592 including 7 management personnel, 9 senior executives, 107 managerial and supervisory staff, 61 administrative and COCO store staff, 284 skilled/semi-skilled and unskilled workers and 124 contract labourers.

Pursuant to our growth strategy, we have strengthened our direct interaction with our end consumers as demonstrated by the growth in our COCO stores, the first of which was opened in the June 2013 and has increased to 25 by March 2015.

Our Company's total revenues, as restated on a consolidated basis, for the year ended March 31, 2015, March 31, 2014 and March 31, 2013 were ₹ 15,307.92 lacs, ₹ 14,076.19 lacs and ₹ 13,234.69 lacs respectively. Our Company's restated net profit after tax on a consolidated basis, for the year ended March 31, 2015, March 31, 2014 and March 31, 2013 were ₹ 1,478.46 lacs, ₹ 1,253.23 lacs and ₹ 812.75 lacs respectively which has grown at a CAGR of 32.88% for the last 5 years.

As on March 31, 2015, our top 10 suppliers contributed 49.25% of our total purchases and our top 10 customers contributed 38.17% of our total revenues.

As on the date of this Draft Red Herring Prospectus, our Promoter and Promoter Group hold 72.66% while 25.11% is held by AA Development Capital India Fund 1, LLC.

## Competitive Strengths

We believe that we are well-positioned to maintain our status as one of the leading indigenous manufacturers and retailers of branded apparels in India as well as to pursue significant growth opportunities in the expanding market for branded apparels and accessories. We believe that the following are our principal competitive strengths, which differentiate us from other players in apparel manufacturing and retailing industry.

### ➤ *One of the leading apparel brands with a long standing market presence*

Numero Uno has, over a period of 25 years, emerged as a well-established national brand in the Mid-Premium and Premium branded apparel segment for men and women. We believe that the quality, consistency and design of our products driven by our firm manufacturing and quality assurance processes have helped us to create a brand that our customers associate with high quality, fashion and comfort. In the last two decades, we have launched a comprehensive range of jeans and casualwear under our 'Numero Uno' brand. Our brand image is enhanced not only by integrating marketing and customer relation campaigns but also through our retail and merchandising strategies which has enabled us to identify and differentiate our brand from others. Our Company has been awarded a Certificate of Excellence for "Smart Innovation" by Inc. India Magazine on January 29, 2015, Brand Vision India 2020 award for "Visionary of India 2014-2015" by Nexbrands and the Fashion and Lifestyle Excellence award for the "Most Admired Menswear Brand of the Country".

### ➤ *One of the leading integrated indigenous manufacturer and retailer of branded apparels in India*

We are one of the leading integrated indigenous manufacturers of jeans and casualwear in India. Our Company's core competency lies in our deep understanding of our customers buying preferences and behavior over two decades across the Indian market. We have a dedicated in-house design and merchandising team of 70 members who develop and create styles that meet the latest fashion trends. Additionally, we have dedicated team of professionals for production, marketing and selling our products under the brand Numero Uno. Each set of professionals under these various business heads not only help us devise a strategy for the next season, but also to implement the same to build a strong brand loyalty of our brand 'Numero Uno'. We believe, being an integrated indigenous manufacturer, we have a competitive advantage to customise our products with variations as per specific requirements and even manufacture and deliver smaller quantities as per our 'Make to Order' policy.

We believe this differentiates us from other players in the Industry as each of our manufacturing activity is sourced, conceptualised and designed from these in-house team of professionals which has helped us to emerge as one of the few indigenous players in India.

Our manufacturing process is also supplemented by machines that have been sourced from Jeanologia, Spain like (i) G2T textile processing machine that is used for bleaching without chemicals that helps us consume minimal amount of water; (ii) Flexi 150 and Flexi -250 laser machines that are used for creating patterns by taking colour off at selected places from the apparels through a dry process; (iii) E Soft machine (eco- wash machine) which uses nano bubble technology for washing clothes resulting in minimal usage of water. All of these machines are environment friendly which help reduce our water consumption, time, manual intervention and more importantly the use of chemicals in the manufacturing process.

### ➤ *Extensive exclusive distribution network*

We have an extensive distribution network with 185 exclusive stores, 23 LFS and 38 Hypermarkets in addition to over 500 retail outlets pan-India. We use a multi-pronged distribution setup of COCO, Franchisee operated EBOs, MBOs, LFS, Hypermarkets and various e-commerce vendors. To ensure better visibility and maximum footfalls, our stores are situated at highstreets, malls, mini malls at prominent locations in major metros, mini-metros, large cities and other tier II and tier III cities. These locations are selected based on buying patterns, geographic and demographic criteria that can accommodate our entire product range.

As on March 31, 2015, we are present through 25 COCO stores, 160 Franchisee operated EBO's, over 500 MBO's, 23 LFS and 38 Hypermarkets. Our extensive retail and wholesale network is spread across 288 cities pan-India. In addition, we have also entered into distribution agreements with some of the leading Indian digital commerce platforms for sale of our products online. In addition, pursuant to our growth plans, we have also executed 9 LOIs/ MoUs and 3 agreements to open new COCO stores at various locations across India. For further details, please refer to the chapter titled "Objects of the Issue" on page 81 of this Draft Red Herring

Prospectus.

We also exercise control over our distribution channels for example, selecting and leasing the locations to be used for our franchised EBOs, defining layouts, fit-outs and fixtures to be adopted at all of the Franchisee operated EBOs and providing our dealers, distributors and franchisees with marketing, training and supervisory support.

➤ ***Comprehensive product range and personalized shopping experience***

We believe that our stores offer a personalised, service-oriented shopping experience in an aesthetic that reflects the nature of our brand. We have a comprehensive portfolio of product offerings in jeanswear, casualwear and accessories which meets the needs of our consumers under one roof. We believe that our comprehensive product range not only helps us increase our penetration in the metros, mini-metros and large cities but also to expand our presence in the tier II and tier III cities in India. We believe that our wide range of products with diverse price points for Premium, Mid-Premium and economy segments makes us an established brand poised to capitalize on growth opportunities in the branded apparel industry. Our diverse range of products for winter collection includes jackets, sweaters, blazers, scarves etc. and our all – year collection includes denims, shirts, trousers, t-shirts, cargos, linen apparel etc. Such a comprehensive range helps us promote cross promotional sales whereby our customer’s buying behaviour leads us to anticipate the potential sale from our other product-mix. We believe our approach of presenting a portfolio of products for diversified customer profiles has helped us enhance our growth and will continue to support the development of brand loyalty among consumers.

➤ ***Strong in-house design capabilities and techniques***

Our Company’s core competency lies in our deep understanding of our customers buying preferences and behavior over two decades across the Indian market. We believe that we have a competitive advantage due to our dedicated in-house design and merchandising team and our firm manufacturing facilities for our product categories. Design development and sampling forms an integral part of our Company’s operations and is considered as an effective tool for converting customer’s need into a product. We have a team of professionals from reputed fashion design institutes who are supported by the latest technology for developing products and styles which are based on prevalent fashion trends. This helps us keep pace with international trends and also to add innovative features to our products by visiting international fashion markets.

Our design studio also holds a knowledge bank of styles, innovations, customer salience, raw materials performance, fits and fits trials data, reasons for underperformance, etc. and it is invaluable in the development of our products. New designs are developed on a regular basis to add to our library of designs, concepts, features, material specifications and product specifications. We believe this differentiates us from other players in the Industry as each of our manufacturing activity is sourced, conceptualised and designed from these in-house team of professionals which has helped us to emerge as a leading indigenous manufacturer of jeans and casual wear in India. We have over 70 professionals in our design, development and merchandising department dedicated to developing new products, improving existing ones and forecasting fashion trends.

Further, we currently have two in-house manufacturing facilities at Gurgaon, Haryana and Selaqui, Uttarakhand which are equipped with the latest technology and infrastructure.

➤ ***Integrated systems and processes***

We have implemented a customised Enterprise Resource Planning (“**ERP**”), software system developed by SAP with various modules viz., (i) FICO (Finance & Control) (ii) MM (Material Management) (iii) SD (Sales & Distribution) (iv) PP (Production & Planning) at our Registered Office, manufacturing facilities and warehousing facilities. This helps us scale up our operations faster without disruption to further enhance our logistics and supply chain.

In addition, we have also implemented Point of Sale (POS) Software known as “**LOGIC**” at our COCO stores and Franchisee operated EBOs. This enables us to receive complete information on our customers taste and preferences, stock and sales of the POS location along with article details which also assists with data analysis and trends. In view of the anticipated growth in our operations, stores and locations, we further plan to upgrade our IT infrastructure to ensure adequate support to the growth in our operations. Such integrated systems and processes coupled with our strong internal and external control mechanisms, facilitate our management and personnel to take informed decisions to monitor inventories, supply chain, consignment status etc. of all

products, locations and divisions across India in a more efficient manner.

Our Company has also installed Business Intelligence Tool (“BI Tool”) software which provides us a detailed analysis of the integrated data extracted out of SAP and LOGIC. In addition to the above, our COCO stores and Franchisee operated EBOs are also facilitated with a Customer Relationship Management Software (“CRM”) “Capillary” sourced from Capillary Technologies India Private Limited, where we store all the personal information of our customers in order to create a strong customer database for regular interaction with our customers required for running an effective loyalty programme.

➤ ***Experienced management and Key Managerial Personnel***

We have an experienced management team led by our Chairman and Managing Director, Narinder Singh Dhingra who has over 30 years’ experience in the branded apparel industry and we benefit immensely from their expertise. Our management and their understanding of the industry trends, fashion, demands and market changes have been instrumental in the success of the ‘Numero Uno’ brand amongst our customers. We believe that the experience and relationships that our management team has, have enabled us to extend our operating capabilities, improved the quality of our products and facilitated our brand equity. We believe we also have a strong second line of management and an experienced pool of key managerial personnel, who have possess requisite skills, experience, technical know-how and understanding of the industry and complete control over quality of the products.

**Business Strategy**

➤ ***Strengthening our pan India presence***

Currently, most of our COCOs, EBOs and MBOs are situated in the northern region of India. We are expanding to other geographies through MBOs, LFS, Hypermarkets and e-commerce platforms. All of these distribution channels are helping us become a national brand with pan-India presence. Growing aspiration levels of people in Tier II, III and IV cities coupled with rising brand awareness, makes these smaller urban areas as focal points for our expansion. Pursuant to our growth strategy and to further deepen our presence in the hitherto underserved markets, we intend to open 84 new COCO stores, besides expanding our other distribution channels. As on March 31, 2015, we have executed 9 LOIs/MoUs and 3 agreements, for opening new COCO stores in various cities of 21 states in highstreets, malls, mini malls.

➤ ***Enhancing existing processes and improving operational efficiencies***

Our Company believes in making investments for continuously achieving higher levels of excellence in its products. This allows us to exercise due control over our manufacturing costs supplemented with fine quality of our products. Our Company has invested in specialised equipments that have been sourced from Jeanologia, Spain like (i) G2T textile processing machine that is used for bleaching without chemicals that helps us consume minimal amount of water; (ii) Flexi 150 and Flexi -250 laser machines that are used for creating patterns by taking colour off at selected places from the apparels through a dry process; (iii) E Soft machine (eco- wash machine) which uses nano bubble technology for washing clothes resulting in minimal usage of water. All of these machines are environment friendly which help reduce our water consumption, time, manual intervention and more importantly the use of chemicals in the manufacturing process.

Further, we have been allotted approximately 8,059.30 square meters of land for our Selaqui facility. Pursuant to our growth plans, we intend to enhance our existing manufacturing base by adding various machineries for which we have received price quotations from various vendors. In addition, we have started constructing an ETP plant to recycle the waste water discharged during the washing activity. Such addition of specialised equipments helps us achieve better economies of scale. For more information on our proposed project, see chapter titled “Objects of the Issue” on page 81 of this Draft Red Herring Prospectus.

➤ ***Focusing on inorganic growth***

Pursuant to our growth strategy, the strategic investments and acquisitions of businesses in our industry may further play a major role to grow our business. We believe that our efforts at diversifying into new segments of the branded apparel industry or into new domestic markets can be facilitated by investing in similar business opportunities or acquiring established brands or businesses with market share or growth potential, whose operations, resources, capabilities and strategies are complementary to our Company. As on the date of this

Draft Red Herring Prospectus, we have not identified any strategic investment or acquisition opportunities and we seek to enter into any such acquisition on an opportunistic basis.

Further, we are also targeting to grow our present scale of operations by not only manufacturing and retailing through our extensive distribution network but also partner with several international brands to manufacture and market their products in India. Though, as on the date of this Draft Red Herring Prospectus, we have not identified any particular international brand(s) for this purpose, such association will enable these international brands to leverage our strength in manufacturing and distribution to expand their presence in India.

➤ ***Enhancing our brand value***

We will continue to enhance better visibility of our brand with maximum footfalls in our stores through our marketing efforts and planned retail expansion. Our Company's core competency lies in our deep understanding of our customers buying preferences and behavior which helps us to secure customer loyalty. We endeavor to continuously improve the product-mix offered to our customers as well as strive to understand and anticipate their future requirements and cater to such needs. We seek to seize market opportunities by continuing to allocate significant resources to enhance our brand Numero Uno. Our marketing plan includes advertising through various channels such as print, electronic and social, television campaigns, endorsements by well-known Indian personalities besides visual merchandising. Along with establishing our own exclusive e-commerce platform, we are also striving to partner with other leading e-commerce vendors and their associates to market and promote our brand. In addition, we also participate in college and university festivals and also conduct road shows specifically targeting the youth and in the future we are also targeting conducting as well as participating in fashion events. Pursuant to our business strategy, we will continue to expand our network by opening new COCO stores and Franchisee operated EBOs at various locations across India. We believe that such scalability in our business provides us better visibility and market share across India.

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

We intend to complement our capabilities in retailing through COCO stores, Franchisee operated EBOs, MBOs, LFS, Hypermarkets with retailing through e-channels. We have established an online portal under our website "www.numerounostore.com" to tap the growing online shopping experience. We intend to develop the e-commerce and online retail business to provide us with additional channels of reaching out to our customers. We believe that the growing internet penetration in Indian cities, especially Tier-II and Tier-III cities has increased the potential of growth in the e-commerce and online shopping markets. We intend to adopt a "brick and click" model (which integrates both offline and online presence), by leveraging on our existing back-end logistics infrastructure and sourcing capabilities. We believe developing and expanding the online space may further attract the attention of our targeted customers which can be converted into footfalls in our stores. We believe that foraying into online retail business will assist us to increase and diversify our customer base.

## **FACTORS AFFECTING OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

The business of our Company is subject to various risks and uncertainties including those discussed in section titled "Risk Factors" on page number 16 of this Draft Red Herring Prospectus. Our financial condition and results of operations are affected by various factors of which the following are of particular importance:

- Factors affecting the branded apparel industry
- Increasing competition in the Industry;
- Ability to launch new designs every season;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India

### **Components of our Revenue and Expenses**

The components of our revenue, also expressed as a percentage of our total revenue, as reflected in our consolidated restated audited financial statements for Fiscal 2012, Fiscal 2013, Fiscal 2014 and Fiscal 2015 is as follows:

(₹ in lacs)

Particulars	For the year ended 31 March 2015		For the year ended 31 March 2014		For the year ended 31 March 2013		For the year ended 31 March 2012	
	Amt.	% of Total Revenue	Amt.	% of Total Revenue	Amt.	% of Total Revenue	Amt.	% of Total Revenue
<b>Sale of products</b>								
-Finished goods	9,645.85	63.02%	9,085.22	64.54%	7,996.79	60.42%	9,045.05	81.38%
-Traded goods	5,477.81	35.78%	4,833.59	34.34%	4,766.81	36.02%	2,392.40	21.52%
-Fabric and accessories sale	29.79	0.19%	73.15	0.52%	580.27	4.38%	10.62	0.10%
<b>Sale of products (gross)</b>	<b>15,153.45</b>	<b>98.99%</b>	<b>13,991.96</b>	<b>99.40%</b>	<b>13,343.87</b>	<b>100.82%</b>	<b>11,448.07</b>	<b>103.00%</b>
Less: Excise duty	-	-	-	-	247.22	1.87%	543.02	4.89%
<b>Sale of products (net) (A)</b>	<b>15,153.45</b>	<b>98.99%</b>	<b>13,991.96</b>	<b>99.40%</b>	<b>13,096.65</b>	<b>98.95%</b>	<b>10,905.05</b>	<b>98.11%</b>
<b>Other Operating Income</b>								
Utilisation reversal for provision for sales return	54.22	0.35%	-	-	-	-	94.83	0.85%
Job work income	1.43	0.01%	0.35	0.00%	0.48	0.00%	9.98	0.09%
Scrap sale	0.78	0.01%	1.24	0.01%	4.77	0.04%	3.28	0.03%
<b>Other Operating Income (B)</b>	<b>56.43</b>	<b>0.37%</b>	<b>1.59</b>	<b>0.01%</b>	<b>5.25</b>	<b>0.04%</b>	<b>108.09</b>	<b>0.97%</b>
	-		-		-		-	
<b>Revenue From Operations (A+B)</b>	<b>15,209.88</b>	<b>99.36%</b>	<b>13,993.55</b>	<b>99.41%</b>	<b>13,101.90</b>	<b>98.99%</b>	<b>11,013.14</b>	<b>99.08%</b>
Duty drawback	0.31	0.00%	0.09	0.00%	-	-	0.43	0.00%
Interest received on deposits with banks	2.19	0.01%	2.46	0.02%	5.40	0.04%	1.76	0.02%
Royalty	-	-	-	-	-	-	16.16	0.15%
Interest income on delayed payments	50.48	0.33%	45.19	0.32%	73.29	0.55%	46.77	0.42%
Cash discount received	37.92	0.25%	28.25	0.20%	28.90	0.22%	9.16	0.08%
Foreign exchange gain (net)	5.40	0.04%	2.76	0.02%	13.05	0.10%	18.53	0.17%
Liabilities no longer required written back	-	-	3.88	0.03%	11.49	0.09%	7.35	0.07%
Miscellaneous income	1.74	0.01%	0.01	0.00%	0.66	0.01%	1.48	0.01%
<b>Other Income (C)</b>	<b>98.04</b>	<b>0.64%</b>	<b>82.64</b>	<b>0.59%</b>	<b>132.79</b>	<b>1.01%</b>	<b>101.64</b>	<b>0.92%</b>
<b>Total Revenue(A+B+C)</b>	<b>15,307.92</b>	<b>100.00%</b>	<b>14,076.19</b>	<b>100.00%</b>	<b>13,234.68</b>	<b>100.00%</b>	<b>11,114.78</b>	<b>100.00%</b>

### *Income*

Our total revenues comprise of sales of products manufactured and traded by our Company and other income.

#### *Revenue from Operations*

Our revenue from operations substantially comprises of sale of manufactured goods. This includes sale of goods manufactured by third parties on our behalf. The gross turnover is adjusted for excise duty paid by us on our

manufactured products until Fiscal 2013, to arrive at our revenue from operations (net of excise duty). Currently, there is no excise duty levied on our products. Revenue from sales of products is recognised on the transfer of substantial risks and rewards of ownership.

#### Other income

Other income comprises of recurring income and non recurring income. Recurring income usually comprises of interest received, duty drawback, dividend income and other receipts. Non recurring income usually comprises of gain from foreign exchange fluctuations and profit on sale of assets.

#### Expenses

Our total expenses, also expressed as a percentage of our total revenue, as reflected in our consolidated restated audited financial statements for Fiscal 2012, Fiscal 2013, Fiscal 2014 and Fiscal 2015 is as follows:

(₹ in lacs)

Particulars	For the year ended 31 March 2015		For the year ended 31 March 2014		For the year ended 31 March 2013		For the year ended 31 March 2012	
	Amt.	% of Total Expenses	Amt.	% of Total Expenses	Amt.	% of Total Expenses	Amt.	% of Total Expenses
Cost of materials consumed	3,445.95	26.41%	3,770.85	30.84%	3,110.64	25.91%	3,238.88	31.61%
Purchases of stock-in-trade	3,241.72	24.85%	3,126.38	25.57%	3,465.04	28.86%	1,683.67	16.43%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	144.20	1.11%	(476.58)	-3.90%	71.09	0.59%	(336.36)	-3.28%
Salaries, wages and bonus	1,602.71	12.28%	1,374.99	11.25%	1,350.20	11.25%	1,428.28	13.94%
Contribution to provident and other funds	54.95	0.42%	24.20	0.20%	24.86	0.21%	69.72	0.68%
Staff welfare	18.85	0.14%	16.80	0.14%	10.91	0.09%	13.22	0.13%
Interest on term loans	18.16	0.14%	6.67	0.05%	4.43	0.04%	12.92	0.13%
Interest on bank overdraft	333.85	2.56%	346.07	2.83%	393.86	3.28%	320.17	3.12%
Interest on security deposits	9.87	0.08%	8.41	0.07%	3.85	0.03%	4.49	0.04%
Interest on advance tax	31.06	0.24%	32.43	0.27%	16.18	0.13%	22.44	0.22%
Other financial charges	21.88	0.17%	17.11	0.14%	13.87	0.12%	72.55	0.71%
Depreciation	536.07	4.11%	339.91	2.78%	391.44	3.26%	401.79	3.92%
Amortization	50.08	0.38%	45.11	0.37%	56.15	0.47%	62.50	0.61%
Job charges	1,081.53	8.29%	1,181.76	9.67%	738.39	6.15%	993.06	9.69%
Packing material	47.01	0.36%	54.42	0.45%	29.66	0.25%	49.74	0.49%
Freight and cartage inward	25.74	0.20%	16.95	0.14%	15.91	0.13%	17.49	0.17%
Power and fuel	187.12	1.43%	180.86	1.48%	142.46	1.19%	283.73	2.77%
Rent	652.86	5.00%	690.03	5.64%	625.98	5.21%	722.74	7.05%
Rates and taxes	76.38	0.59%	44.10	0.36%	87.39	0.73%	11.58	0.11%
Insurance	20.18	0.15%	17.45	0.14%	15.94	0.13%	14.23	0.14%
Communication	41.02	0.31%	35.19	0.29%	29.79	0.25%	27.73	0.27%
Travelling and conveyance	181.71	1.39%	139.00	1.14%	122.84	1.02%	68.82	0.67%

Particulars	For the year ended 31 March 2015		For the year ended 31 March 2014		For the year ended 31 March 2013		For the year ended 31 March 2012	
	Amt.	% of Total Expenses	Amt.	% of Total Expenses	Amt.	% of Total Expenses	Amt.	% of Total Expenses
Repairs and maintenance:								
Plant and machinery	19.99	0.15%	26.95	0.22%	17.00	0.14%	24.23	0.24%
Building	21.74	0.17%	6.67	0.05%	7.74	0.06%	22.55	0.22%
Others	222.97	1.71%	193.53	1.58%	179.39	1.49%	155.11	1.51%
Legal and professional charges	137.09	1.05%	102.65	0.84%	103.59	0.86%	115.93	1.13%
<b>Auditors remuneration</b>	17.94	0.14%	16.48	0.13%	12.94	0.11%	12.85	0.13%
Loss on sale of fixed assets	3.63	0.03%	1.27	0.01%	14.73	0.12%	5.80	0.06%
Bad debts written off	-	-	-	-	15.91	0.13%	6.51	0.06%
Provision for doubtful debt	13.46	0.10%	41.46	0.34%	44.06	0.37%	45.00	0.44%
Provision against sales return	-	-	16.82	0.14%	116.25	0.97%	-	-
<b>Advertisement and business promotion</b>	330.58	2.53%	392.54	3.21%	483.33	4.03%	338.63	3.30%
Commission and discount	73.07	0.56%	122.21	1.00%	32.11	0.27%	29.79	0.29%
Other selling expenses	167.39	1.28%	130.81	1.07%	118.29	0.99%	152.22	1.49%
Freight outward	87.32	0.67%	71.14	0.58%	51.71	0.43%	39.24	0.38%
Printing & stationery	21.06	0.16%	20.99	0.17%	16.66	0.14%	18.50	0.18%
<b>Electricity &amp; water charges</b>	45.40	0.35%	23.85	0.20%	13.91	0.12%	8.39	0.08%
Security Charges	39.59	0.30%	33.28	0.27%	28.76	0.24%	34.82	0.34%
<b>Miscellaneous expenses</b>	22.25	0.17%	33.76	0.28%	28.24	0.24%	54.55	0.53%
<b>Total expenses (B)</b>	<b>13,046.38</b>	<b>100.00%</b>	<b>12,226.52</b>	<b>100.00%</b>	<b>12,005.50</b>	<b>100.00%</b>	<b>10,247.51</b>	<b>100.00%</b>

Our total expenses comprises of cost of raw materials consumed, purchase of traded goods, changes in inventory, employee benefit expenses, finance costs, depreciation and amortization and other expenses.

#### *Cost of Material consumed*

Our expenditure on material consumed primarily consists of expenditure on materials consumed like fabrics, lining fabrics, threads, zippers, etc. consumed in the manufacturing process. Cost of material consumed accounted for 25.91%, 30.84% and 26.41% of our total expenses for Fiscal 2013, Fiscal 2014 and Fiscal 2015, respectively. Cost of raw materials consumed indicates the difference between the opening and closing stock, as adjusted for raw materials purchased during the period.

#### *Purchase of stock-in-trade*

Expenditure in relation to purchase of stock in trade refers to finished products purchased by our Company from third party manufacturers for sale under our brand. This primarily included knitted wears, footwear and accessories which are not manufactured in-house. Cost of purchase of stock in trade accounted for 28.86%, 25.57% and 24.85% of our total expenses for Fiscal 2013, Fiscal 2014 and Fiscal 2015.

#### *Change in Inventories*

Our changes in inventories include changes in the opening stock and the closing stock of our finished products, as well as the traded products. It includes the difference in the excise duty on the opening stock and the closing stock until Fiscal 2013.

#### *Employee benefit expense*



Our employee benefit expenses comprise of salaries and wages, contribution to provident funds and other expenses towards staff welfare.

#### *Finance costs*

Our finance costs primarily comprise of interest paid on our debt facilities, including term loans, working capital loans and vehicle loans, other finance costs such as interest paid in relation to delayed payment of taxes, as well as other associated borrowing costs such as loan processing charges.

#### *Depreciation and amortization*

Depreciation and amortisation is provided on written down value basis. Depreciation and amortisation on additions or disposal is charged on pro rata basis. Until March 31, 2014, depreciation and amortisation was charged at the rates prescribed in Schedule XIV of the Companies Act, 1956. Effective from April 1, 2014, our Company has charged depreciation and amortisation based on the revised remaining useful life of assets as per the requirements of Schedule II of the Companies Act, 2013.

#### *Other heads of expenses*

Our other heads of expenses include advertisement expenses, job work expenses, electricity & water charges, expenses towards repairs and maintenance, rent, rates and taxes, insurance, legal and professional expenses, auditor's remuneration, travelling expense, miscellaneous expenses amongst others.

### **Summary of Consolidated Profit & Loss Account, as restated**

(₹ in lacs)

Particulars	For the year ended 31 March 2015		For the year ended 31 March 2014		For the year ended 31 March 2013		For the year ended 31 March 2012	
	Amt.	% of Total Revenue	Amt.	% of Total Revenue	Amt.	% of Total Revenue	Amt.	% of Total Revenue
Total Revenue	15,307.92	-	14,076.19	-	13,234.69	-	11,114.78	-
Total Expenses	13,046.38	85.23%	12,226.52	86.86%	12,005.50	90.71%	10,247.51	92.20%
<b>Profit before exceptional items and tax , as restated</b>	<b>2,261.54</b>	<b>14.77%</b>	<b>1,849.67</b>	<b>13.14%</b>	<b>1,229.19</b>	<b>9.29%</b>	<b>867.27</b>	<b>7.80%</b>
Less : Security deposit written off	-	-	-	-	-	-	196.66	1.77%
<b>Profit before tax and after exceptional item, as restated</b>	<b>2,261.54</b>	<b>14.77%</b>	<b>1,849.67</b>	<b>13.14%</b>	<b>1,229.19</b>	<b>9.29%</b>	<b>670.61</b>	<b>6.03%</b>
<b>Provision for tax</b>								
Current tax	887.76	5.80%	627.48	4.46%	458.88	3.47%	437.07	3.93%
Less: MAT credit entitlement	-	-	(10.08)	(0.07) %	-	-	-	-
Deferred tax charge/ (credit)	(104.68)	-0.68%	(20.96)	(0.15)%	(42.44)	(0.32)%	(51.74)	(0.47)%
Wealth tax	-	-	-	-	-	-	-	-
-Tax for earlier years	-	-	596.44	4.24%	416.44	3.15%	385.33	3.47%
<b>Total tax expense/ (credit)</b>	<b>783.08</b>	<b>5.12%</b>	<b>596.44</b>	<b>4.24%</b>	<b>416.44</b>	<b>3.15%</b>	<b>385.33</b>	<b>3.47%</b>
<b>Net profit after tax as restated (after consolidation adjustments), as restated</b>	<b>1,478.46</b>	<b>9.66%</b>	<b>1,253.23</b>	<b>8.90%</b>	<b>812.75</b>	<b>6.14%</b>	<b>285.29</b>	<b>2.57%</b>

### **Fiscal 2015 compared to Fiscal 2014**

#### *Total Revenues*

Our total revenue increased to ₹ 15,307.92 lacs for the Fiscal 2015 from ₹ 14,076.19 lacs for the Fiscal 2014. This was mainly due to (a) opening of new COCO Stores; (b) Increase in the sales of our manufactured and traded goods, (c) increase in interest income on delayed payments from customers and (d) increase in cash discount received.

### ***Revenue from Operations***

Our revenue from operations increased by 8.69% to ₹ 15,209.88 lacs for the Fiscal 2015 from ₹ 13,993.55 lacs for the Fiscal Year 2014. The increase in revenues was mainly on account of (a) opening of new COCO Stores; (b) substantial growth in revenues from our e-commerce business by over 400% y-o-y to ₹ 667.84 lacs in Fiscal 2015 from ₹ 133.09 lacs in Fiscal 2014 (on Standalone basis); and (c) better realisation of our products.

### ***Other Income***

Our other income increased by 18.64% to ₹ 98.04 lacs for the Fiscal Year 2015 from ₹ 82.64 lacs for the Fiscal Year 2014, primarily due increase in interest income on delayed payments from customers and increase in cash discount received.

### ***Total Expenditure***

Our total expenditure for the Fiscal Year 2015 was ₹ 13,046.38 lacs as compared to ₹ 12,226.52 lacs for the Fiscal Year 2014, y-o-y increase of 6.71%. This was mainly due to (a) increase in purchase of stock-in-trade, (b) increase in the employee wages, salaries and bonus, (c) increase in the cost of depreciation pursuant to calculation of revised remaining useful life of assets as per the requirements of Schedule II of the Companies Act, 2013, (d) repairs and maintenance, (e) travelling and conveyance, (f) legal and professional; besides decrease in cost of material consumed, job charges, rent, interest on bank overdraft, change in inventories of finished goods, work-in progress and stock-in-trade and commission and discount.

### ***Cost of material consumed***

Our material consumption expenses reduced by 8.62% to ₹ 3,445.95 lacs for the Fiscal Year 2015 from ₹ 3,770.84 lacs for the Fiscal Year 2014, due to increase in the purchase of stock-in-trade by 3.69% y-o-y and liquidation of the opening inventory of manufactured and traded goods to ₹ 144.20 lacs in Fiscal 2015 from ₹ (476.58) lacs in Fiscal 2014. As a percentage of total revenue, our material consumption marginally decreased to 22.51% in Fiscal 2015 from 26.79% in Fiscal 2014.

### ***Purchase of stock-in-trade***

The purchase of traded goods increased by ₹ 115.34 lacs to ₹ 3,241.72 lacs in Fiscal 2015 from ₹ 3,126.38 lacs in Fiscal 2014. The marginal increase of 3.69% was mainly on account of liquidation of closing inventory of Fiscal 2014 and decrease in the manufacturing of in-house products.

### ***Change in Inventory***

In Fiscal 2014, the Changes in inventories of finished goods, work-in-progress and stock-in-trade stood at ₹ (476.58) lacs as compared to ₹ 144.20 lacs in Fiscal 2015. The decrease in the inventory levels in Fiscal 2015 was primarily on account of the opening inventory of manufactured and traded goods including work in progress at ₹ 3,218.67 lacs in Fiscal 2015 as compared to ₹ 2,742.09 lacs in Fiscal 2014 and decrease in the base inventory production for the year.

### ***Employee benefits***

Our personnel expenses increased by 18.40% to ₹ 1,676.51 lacs for the Fiscal 2015 from ₹ 1,415.99 lacs for the Fiscal 2014, primarily due to increase in staff strength because of opening of new COCO stores, increase in provident fund contributions and annual salary increments.

### ***Finance costs***

Our finance costs remained almost even at ₹ 414.82 lacs for the Fiscal 2015 as compared to ₹ 410.69 lacs for the Fiscal 2014, mainly due to even utilization of working capital limits y-o-y.

### *Depreciation and Amortisation*

The depreciation and amortisation expenses increased by 52.24% to ₹ 586.15 lacs for the Fiscal 2015 from ₹ 385.02 lacs for the Fiscal 2014. During Fiscal 2015, our company added the total assets of ₹ 495.70 lacs vis-à-vis ₹ 360.19 lacs in Fiscal 2014 i.e., increase of 37.62%. Further, the increase in the cost of depreciation was also pursuant to revised calculation of remaining useful life of assets as per the requirements of Schedule II of the Companies Act, 2013.

### *Other expenses*

Our other expenses have remained even to ₹ 3,537.03 lacs for the Fiscal Year 2015 from ₹ 3,594.17 lacs for the Fiscal Year 2014. This was mainly due to y-o-y decrease in the job charges by 8.48%, rent by 5.39%, commission and discount to trade partners by 40.21% which have been off-set by increase in travelling and conveyance by 30.73%, freight outward by 22.75%, electricity and water charges by 90.36%, legal and professional fees by 33.54% and rates and taxes by 73.20%.

### *Profit before exceptional items and tax*

As a result of the above, our profit before exceptional items and tax, as restated, increased by ₹ 411.88 lacs, or 22.27% to ₹ 2,261.54 lacs, representing 14.77% of our total revenue, in Fiscal 2015 from ₹ 1,849.67 lacs, representing 13.14% of our total revenue, in Fiscal 2014.

### *Tax Expense*

Our Tax expense (net) increased by ₹ 186.64 lacs or 31.29% from ₹ 596.44 lacs in Fiscal 2014 to ₹ 783.08 lacs in fiscal 2015. This increase was primarily on account of increase in current taxes from ₹ 627.48 lacs in Fiscal 2014 to ₹ 887.76 lacs in Fiscal 2015.

### *Net profit after tax as restated (after consolidation adjustments)*

As a result of the above, net profit after tax increased by ₹ 225.23 lacs or 17.97% from ₹ 1,253.23 lacs in Fiscal 2014 to ₹ 1,478.46 lacs in Fiscal 2015. The net profit after tax for the year Fiscal 2014 and Fiscal 2015 represents 8.90% and 9.66% respectively of total revenues.

## **Fiscal 2014 compared to Fiscal 2013**

### *Total Revenue*

Our total revenues marginally increased to ₹ 14,076.19 lacs for the Fiscal 2014 from ₹ 13,234.69 lacs for the Fiscal Year 2013. This was mainly due to (a) Change in business model of our Company, (b) Discontinuation of the business with one of the major distributor and (c) General economic slowdown.

### *Revenue from Operations*

Our revenue from operations increased by 6.81% to ₹ 13,993.55 lacs for the Fiscal 2014 from ₹ 13,101.90 lacs for the Fiscal 2013. From Fiscal 2014, our company changed its business model by focusing on opening new COCO Stores besides the existing EBOs for better price realization coupled with better utilization and production levels. In addition, our subsidiary company, Numero Uno Brands Limited, undertook an institutional sales order of ₹624.31 lacs in Fiscal 2014 compared to nil in Fiscal 2013.

### *Other Income*

Our other income reduced by 37.76% to ₹ 82.64 lacs for the Fiscal Year 2014 from ₹ 132.79 lacs for the Fiscal Year 2013, primarily due to lower interest income on delayed payments by our customers besides foreign exchange gains.

### *Total Expenditure*

Our total expenditure for the Fiscal Year 2014 was ₹ 12,226.52 lacs as compared to ₹ 12,005.50 lacs for the Fiscal Year 2013. This was mainly due to growth in the sales for Fiscal 2014 as compared to Fiscal 2013 and further attributable to (a) increase in the employee wages, salaries and bonus, (b) increase in other expenses like job charges, freight outward, repairs and maintenance besides others, (c) decrease in finance cost mainly due to interest on bank overdraft due to better sales margin and collection from the customers and (d) decrease in depreciation.

#### *Cost of material consumed*

Our material consumption expenses grew by 21.22% to ₹ 3,770.85 lacs for the Fiscal Year 2014 from ₹ 3,110.64 lacs for the Fiscal Year 2013, primarily due to increase in the consumption of the major raw materials like fabrics, lining fabrics, threads, zipper, etc. As a percentage of total revenues, our material consumption increased to 26.79% in Fiscal 2014 from 23.50% in Fiscal 2013. This was mainly due to increase in the production from 6.93 lac units to 8.84 lac units and decrease in the purchase of stock-in-trade.

#### *Purchase of stock-in-trade*

The purchase of traded goods decreased by ₹ 338.66 lacs to ₹ 3,126.38 lacs in Fiscal 2014 from ₹ 3,465.04 lacs in Fiscal 2013. The decrease of 9.77% was mainly on account of liquidation of opening stock of footwear and increase in the manufacturing of in-house products due to opening of new COCO stores which led to increase in production by 1.91 lac units.

#### *Change in Inventory*

In Fiscal 2013, the changes in inventory of finished goods stood at ₹ 71.09 lacs as compared to ₹ (476.58) lacs in fiscal 2014. The increase in the inventory levels in fiscal 2014 was primarily on account of increase in the base inventory production required for the new COCO Stores.

#### *Employee benefits*

Our personnel expenses increased by 2.17% to ₹ 1,415.99 lacs for the Fiscal 2014 from ₹ 1,385.97 lacs for the Fiscal 2013, primarily due to increase in staff strength because of new COCO Stores besides annual salary increments.

#### *Finance costs*

Our financial charges decreased by 4.97% to ₹ 410.69 lacs for the Fiscal 2014 from ₹ 432.19 lacs for the Fiscal 2013, mainly due to better collection from the customers which led to lower utilization of working capital limits i.e., from ₹ 393.86 lacs in Fiscal 2013 to ₹ 346.07 lacs in Fiscal 2014.

#### *Depreciation and Amortisation*

The depreciation and amortisation charges decreased by 13.98% to ₹ 385.02 lacs for the Fiscal 2014 from ₹ 447.59 lacs for the Fiscal Year 2013. During Fiscal 2014, our company added the total assets of ₹ 360.19 lacs vis-à-vis ₹ 395.15 lacs in Fiscal 2013 i.e., decrease of 8.85%. Moreover, during the month of March 2014, our Company bought system softwares like ERP system 'Logic', Business Intelligence software 'QlikView Server' for our new COCO Stores which led to decrease in amortisation expenses ₹ 11.04 lacs in Fiscal 2014 as compared to Fiscal 2013.

#### *Other expenses*

Our other expenses increased by 16.20% to ₹ 3,594.17 lacs for the Fiscal Year 2014 from ₹ 3,092.98 lacs for the Fiscal Year 2013. This was mainly due to (a) change in government policy for procurement of diesel for retail and bulk buying and introduction of commission payment scheme to the distributors, amongst others. These factors led increase in the overall expenses incurred by our Company y-o-y primarily in (a) job work charges by 60.05% (b) packing material by 83.47%, (c) power and fuel by 26.95%, (d) repairs and maintenance on plant & machinery by 58.50%, (e) freight outward by 37.58% and (f) printing and stationery by 26.00%. Besides, there was reduction in certain expenses like rates and taxes, repairs and maintenance on building and advertising and business promotion expenses. In addition, during Fiscal 2014, our Company lowered its provision against sales return to ₹ 16.82 lacs from ₹ 116.25 lacs in Fiscal 2013.

### *Profit before exceptional items and tax*

As a result of the above, our profit before exceptional items and tax increased by ₹ 620.48 lacs, or 50.48% to ₹ 1,849.67 lacs, representing 13.14% of our total revenue, in Fiscal 2014 from ₹ 1,229.19 lacs, representing 9.29% of our total revenue, in Fiscal 2013.

### *Tax Expense*

Our Tax expense (net) increased by ₹ 179.99 lacs or 43.22% from ₹ 416.44 lacs in Fiscal 2013 to ₹ 596.44 lacs in Fiscal 2014. This increase was primarily on account of increase in current taxes from ₹ 458.88 lacs in Fiscal 2013 to ₹ 627.48 lacs in Fiscal 2014.

### *Net profit after tax as restated after consolidation adjustments*

As a result of the above, net profit after tax increased by ₹ 440.48 lacs or 54.20% from ₹ 812.75 lacs in Fiscal 2013 to ₹ 1,253.23 lacs in Fiscal 2014. The net profit after tax for the year Fiscal 2013 and Fiscal 2014 represents 6.14% and 8.90% respectively of total revenues.

## **Fiscal 2013 compared to Fiscal 2012**

### ***Total Revenues***

During the year under review, our total revenues increased by 19.07% or ₹ 2,119.90 lacs to ₹ 13,234.68 lacs for the Fiscal Year 2013 from ₹ 11,114.78 lacs for the Fiscal Year 2012. This was mainly due to (a) increase in the revenue from footwear and accessories division by 101.25% which was started only in October 2011, (b) increase in the sale value of traded goods by 99.25% to ₹ 4,766.81 lacs as compared to ₹ 2,392.40 lacs in Fiscal 2012, (c) sale of the unused fabric and accessories due to change in production planning amounting to ₹ 580.27 lacs.

### *Revenue from Operations*

Our revenue from operations grew by 18.97% or ₹ 2,088.75 lacs for the Fiscal Year 2013 to ₹ 13,101.90 lacs for the Fiscal Year 2013 from ₹ 11,013.14 lacs for the Fiscal Year 2012. This was mainly due to increase in the revenue from footwear and accessories division to ₹ 2,049.05 lacs in Fiscal 2013 from ₹ 1,018.15 lacs in Fiscal 2012 registering a y-o-y growth of 101.25%. Our footwear and accessories division was started only in October 2011 and thus the revenue accounted in Fiscal 2012 was from October 2011 – March 2012. Further, the growth in revenues is also attributable from the increase in the sales of the traded goods by 99.25% y-o-y during Fiscal 2013. In addition, during the year under review, our Company changed its production planning whereby it decided to sell unused fabric and accessories which were amounting to ₹ 580.27 lacs.

### *Other Income*

Our other income grew by 30.64% to ₹ 132.79 lacs for the Fiscal Year 2013 from ₹ 101.64 lacs for the Fiscal Year 2012, primarily due to better cash discount received on purchase of fabric compared to previous year, interest income on the fixed deposits and delayed payments by our customers.

### ***Total Expenditure***

Our total expenditure for the Fiscal Year 2013 was ₹12,005.50 lacs as compared to ₹ 10,247.51 lacs for the Fiscal Year 2012. The growth of 17.16% was mainly due to purchase of stock-in-trade majorly in relation to footwear and accessories division.

### *Cost of material consumed*

Our material consumption expenses remained almost even y-o-y mainly due to sale of the unused fabric amounting to ₹ 580.27 lacs, pursuant to change in our production plan. This led in deploying the realised amount towards our consumption cost for Fiscal 2013 which is further compensated by the lower production of 6.93 lacs units during Fiscal 2013 as compared to 10.78 lac units in Fiscal 2012.

#### *Purchase of stock-in-trade*

The purchase of traded goods grew significantly by 105.80% or ₹ 1,781.37 lacs to ₹ 3,465.04 lacs in Fiscal 2013 from ₹ 1,683.67 lacs in Fiscal 2012. This was mainly on account of purchase of traded goods (primarily footwear) for the full year as compared to the previous year where the purchases were made for six month period ended March 2012. This is further attributed by the selling activity of our Company which was more in traded goods as compared to the manufactured goods in Fiscal 2013.

#### *Change in Inventory*

In Fiscal 2012, the changes in inventory of finished goods and work in progress stood at ₹ (336.36) lacs as compared to ₹ 71.09 lacs in Fiscal 2013. The decrease in the inventory levels in Fiscal 2013 was primarily on account of the opening inventory of manufactured and traded goods and work in progress at ₹ 2,563.87 lacs in Fiscal 2013 as compared to ₹ 2,153.34 lacs in Fiscal 2012.

#### *Employee benefits*

Our personnel expenses decreased by 8.29% to ₹ 1,385.97 lacs for the Fiscal Year 2013 from ₹ 1,511.22 lacs for the Fiscal Year 2012, primarily due to closure of our export division which led to reduction in the employee strength.

#### *Finance costs*

Our financial charges remained even at ₹ 432.19 lacs for the Fiscal Year 2013 from ₹ 432.57 lacs for the Fiscal Year 2012, mainly due increase in the working capital limits required for the full year operations of the footwear and accessories division as compared to the six months period ended March 2012. This was off-set by decrease in other financial charges by ₹ 58.68 lacs y-o-y.

#### *Depreciation and Amortisation*

The depreciation and amortisation charges marginally decreased by 3.60% to ₹ 447.59 lacs for the Fiscal Year 2013 from ₹ 464.29 lacs for the Fiscal Year 2012 mainly due to lower addition of the assets of ₹ 395.15 lac in Fiscal 2013 as compared to ₹ 605.16 lacs in the previous year.

#### *Other expenses*

Our other expenses decreased by 4.93% to ₹ 3,092.98 lacs for the Fiscal Year 2013 from ₹ 3,253.24 lacs for the Fiscal Year 2012. This was mainly due to lower production levels during the year which led decrease in (a) reduction in job work charges by 25.65% (b) packing material by 40.36%, (c) power and fuel by 49.79%, (d) repairs and maintenance on plant & machinery by 29.82% and (e) other selling expenses by 22.29%. Besides, there was increase in certain expenses like rates and taxes due to payment of fees for change in ownership of Selaqui plant in the name of our Company which was transferred from the acquisition of Hi-Fashion, travelling and conveyance expenses incurred for business promotion besides others.

#### *Profit before exceptional items and tax*

As a result of the above, our profit before exceptional items and tax increased by ₹ 361.93 lacs, or 41.73% to ₹ 1,229.19 lacs, representing 9.29% of our total revenue, in Fiscal 2013 from ₹ 867.28 lacs, representing 7.80% of our total revenue, in Fiscal 2012.

#### *Tax Expense*

Our Tax expense (net) increased by ₹ 31.12 lacs or 8.08% to ₹ 416.44 lacs in Fiscal 2013 from ₹ 385.33 lacs in Fiscal 2012. This increase was primarily on account of increase in current taxes to ₹ 458.88 lacs in Fiscal 2013 from ₹ 437.07 lacs in Fiscal 2012.

#### *Net profit after taxation as restated (after consolidation adjustments)*

As a result of the above, net profit after taxation increased by ₹ 527.47 lacs or 184.90% to ₹ 812.75 lacs in Fiscal 2013 from ₹ 285.28 lacs in Fiscal 2012. The net profit after taxation for the year Fiscal 2013 and Fiscal

2012 represents 6.14% and 2.57% respectively of the total revenues.

### Liquidity and Capital Resources

As of March 31, 2015, we had cash and bank balances of ₹ 42.25 lacs. Cash and bank balances consist of cash on hand, cheques on hand and deposit accounts including fixed deposits. Our primary liquidity needs have been to finance our operations, working capital needs, debt service and capital expenditures. We have historically met our liquidity needs through a combination of borrowings, capital raising and internally generated cash flows.

Our business requires a significant amount of working capital. We expect to meet our working capital requirements primarily from the cash flows from our business operations and working capital borrowings from banks as may be required.

Our short-term liquidity requirements relate to servicing our debt and funding working capital requirements. Sources of short-term liquidity include cash balances and receipts from our operations.

Our long-term liquidity requirements include partial funding of our investments in new projects and repayment of debt under our bank borrowings. Sources of funding our long-term liquidity requirements include new loans, equity or debt issues.

### Cash flows

Set forth below is a table of selected information from our Company's consolidated restated audited statements of cash flows for the periods indicated.

Particulars	(₹ in lacs)		
	Fiscal 2015	Fiscal 2014	Fiscal 2013
Net cash from/ (used in) operating activities	1,209.71	1,601.70	727.80
Net cash from/ (used in) investing activities	(859.51)	(289.52)	(381.64)
Net cash from/ (used in) financing activities	(386.85)	(1,313.70)	(319.92)
Net increase/ (decrease) in cash and cash equivalents	(36.65)	(1.52)	26.24
Opening cash and cash equivalents	67.17	68.69	42.45
Closing cash and cash equivalents	30.52	67.17	68.69

### Net cash from/used in operating activities

Net cash from operating activities in Fiscal 2015 was ₹ 1,209.71 lacs and our operating profit before working capital changes for that period was ₹ 3,213.67 lacs. The difference was primarily attributable to ₹ 1,244.54 lacs increase in trade receivables, ₹ 278.38 lacs decrease in trade payables and a payment of ₹ 832.11 in taxes. This was partially off set by ₹ 243.47 lacs increase in current liabilities and provisions.

Net cash from operating activities in Fiscal 2014 was ₹ 1,601.70 lacs and our operating profit before working capital changes for that period was ₹ 2,599.00 lacs. The difference was primarily attributable to a ₹ 562.06 lacs increase in inventories, ₹ 294.23 lacs increase in trade receivables and ₹ 501.78 lacs paid in taxes including taxes deducted at source. This was partially off set by ₹ 192.39 lacs increase in trade payables and ₹ 151.22 lacs increase in other current liabilities.

Net cash from operating activities in Fiscal 2013 was ₹ 727.80 lacs and our operating profit before working capital changes for that period was ₹ 2,045.01 lacs. The difference was primarily attributable to a ₹ 1,407.33 lacs increase in trade receivables and ₹ 586.97 lacs paid in taxes including taxes deducted at source. This was partially off set by ₹ 425.56 lacs decrease in inventories.

### Net cash used in investing activities

In Fiscal 2015, our net cash used in investing activities was ₹ 859.51 lacs. This primarily reflected the payments of ₹ 938.02 lacs towards purchase of fixed assets partly off set by ₹ 52.67 lacs towards interest income.

In Fiscal 2014, our net cash used in investing activities was ₹ 289.52 lacs. This reflected the payments of ₹ 358.24 lacs towards purchase of fixed assets and partly off set by ₹ 47.65 lacs towards interest income.

In Fiscal 2013, our net cash used in investing activities was ₹ 381.64 lacs. This reflected the payments of ₹

409.41 lacs towards purchase of fixed assets and partly off set by ₹ 23.82 lacs towards interest income.

### Net cash from financing activities

In Fiscal 2015, our net cash generated from financing activities was ₹ 386.85 lacs. This primarily reflected the payments of ₹ 414.82 lacs towards finance cost, ₹ 124.50 lacs towards repayment of long term borrowings partly off set by ₹ 201.26 lacs towards proceeds from long term borrowings.

In Fiscal 2014, our net cash generated from financing activities was ₹ 1,313.70 lacs. This primarily reflected the payments of ₹ 622.69 lacs towards lower usage of working capital limits and ₹ 410.69 lacs towards finance cost and ₹ 218.71 lacs for dividends and taxes on dividend.

In Fiscal 2013, our net cash generated from financing activities was ₹ 319.92 lacs. This primarily reflected the payments of ₹ 432.19 lacs for finance cost and ₹ 278.96 lacs for dividends and taxes on dividend.

### Purchases of fixed assets

For Fiscal 2015, 2014 and 2013, our purchases/increase in fixed assets were ₹ 495.70 lacs, ₹ 360.19 lacs and ₹ 395.15 lacs, respectively. The following table provides a breakdown of our capital expenditure spend by category during the periods indicated.

(₹ in lacs)			
Asset class	Fiscal 2015	Fiscal 2014	Fiscal 2013
Land and building	315.96	197.67	195.32
Plant and machinery	12.62	11.91	92.52
Other fixed assets	167.12	150.61	107.31
<b>Total</b>	<b>495.70</b>	<b>360.19</b>	<b>395.15</b>

### Financial indebtedness

The following table sets forth our Company's secured and unsecured debt position as at March 31, 2015.

(₹ in lacs)	
Particulars	March 31, 2015
<i>Unsecured loans</i>	-
<b>Sub-Total (A)</b>	-
<i>Secured Loans</i>	
Term loans from bank (includes instalment payable within one year)	261.97
Cash credit; Overdraft from bank	2,178.42
Short term loans (repayable within one year)	Nil
<b>Sub-Total (B)</b>	<b>2,440.39</b>
<b>Total (A+B)</b>	<b>2,440.39</b>

For details of our financial indebtedness, please refer to the chapter titled "Financial Indebtedness" on page 323 of this Draft Red Herring Prospectus.

### Contingent Liabilities

Particulars	Amount (₹ in lac)
Value Added Tax	46.57*
Other claims against our Company not acknowledged as debts	27.20

\*Does not include interest.

Our Company has paid additional consideration to Haryana State Industrial and Infrastructure Development Corporation Limited in relation to our property located at Manesar, Haryana towards enhanced compensation including interest thereon. There is a possibility that our Company might continue to receive such demands for enhanced compensation until the proceedings filed by the land owners under the Land Acquisition Act, 1894 are



not settled.

## **Quantitative and Qualitative Disclosures about Market Risk**

Market risk is the risk of loss related to adverse changes in market prices, including interest rate and foreign exchange rates of financial instruments. We are exposed to various types of market risks in the normal course of business. For instance, we are exposed to market interest rates and exchange rate movements on foreign currency denominated borrowings and operating expenses. We do not currently use any derivative instruments to modify the nature of our debt so as to manage our interest rate risk.

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

### **1. Unusual or infrequent events or transactions**

There have been no events to the best of our knowledge, other than as described in this DRHP, which may be called “unusual” or “infrequent”.

### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as mentioned under the heading titled ‘*Factors Affecting Results of Our Operations*’ in this chapter, to the knowledge of the management of our Company, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

### **3. Future changes in relationship between costs and income**

Other than as described elsewhere in this Draft Red Herring Prospectus, particularly in this chapter, to the knowledge of the management of our Company, there are no known factors that might affect the future relationship between costs and revenues.

### **4. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices**

The increase in revenues is mainly due to increased sales volume because of opening of new COCO Stores and addition of the footwear and accessories division besides other traded goods. The demand for these products varies across customer segments.

Changes in revenues during the last three years are as explained in the part *Fiscal 2015 compared to Fiscal 2014*, *Fiscal 2014 compared to Fiscal 2013* and *Fiscal 2013 compared to Fiscal 2012* in this chapter.

### **5. Status of any publicly announced new products or business segments**

Except as described in this chapter and the chapter/section titled ‘*Our Business*’ and ‘*Risk Factors*’ on page numbers 128 and 16, respectively, of this Draft Red Herring Prospectus there are currently no publicly announced new products or business segments.

### **6. Seasonality of Business**

Our Company typically operates its production activities in accordance with ‘*Make to Order*’ policy and runs its production for two seasons viz, Autumn –Winter and Spring – Summer. Further, for our Autumn - Winter season which is from October to February, our stores start building up their inventory for which we start dispatching the products in the months of September and October. Similarly, for the Spring – Summer season which is from March to September, the majority of the dispatch of our products are done in the months of February and March. Majority of our revenues being booked on dispatch leads to an uneven billing cycle, due to which our revenues are not evenly distributed in all four quarters of every financial year.

### **7. Any significant dependence on a single or few suppliers or customers**

We are not dependent on single or few suppliers.

## **8. Competitive Conditions**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in the chapter titled “***Our Business***” on page number 128 of this Draft Red Herring Prospectus.

## FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of all borrowings of our Company together with a brief description of certain significant terms of such financing arrangements.

### A. Details of Secured Borrowings of our Company

Our Company's outstanding secured borrowing is ₹ 2,440.39 lacs as at March 31, 2015. Further, our Company's outstanding non fund based borrowing is ₹ 74.96 lacs.

- **Facility of ₹ 1,500 lacs from The Federal Bank Limited**

<b>Name of the Lender</b>	The Federal Bank Limited ("Lender")
<b>Facility</b>	Cash Credit facility: ₹ 1,500 lacs comprising the following: <ol style="list-style-type: none"> <li>1. Working Capital Demand Loan "WCDL": ₹ 900 lacs*</li> <li>2. Cash Credit "CC": ₹ 100 lacs*</li> <li>3. Bank Guarantee "BG": ₹ 300 lacs*</li> <li>4. Letter of credit(Inland/Import) "LC": ₹ 500 lacs*</li> </ol> <i>*As a sublimit of Cash Credit facility</i>
<b>Loan Documentation</b>	<ol style="list-style-type: none"> <li>1. Sanction letter bearing number GRN/CC1548/2014 dated April 16, 2014 issued by the Lender for renewing the working capital limits of ₹ 1,500 lacs granted to our Company.</li> <li>2. Form CHG-1 bearing SRN C41579962 dated January 30, 2015 (charge identification number 10068055) for modification of charge by charge on additional immovable property situated at UG 054, GF-Deck level, Commercial complex MGF Metropolis, Mehrauli-Gurgaon Road, Gurgaon along with existing charge on immovable properties, stocks, receivables, moveable fixed assets etc. of our Company.</li> <li>3. Certificate of registration of charge/registration for modification of charge dated January 30, 2015 issued by the RoC, National Capital Territory of Delhi and Haryana for cash credit of ₹ 1,500 lacs.</li> <li>4. Composite Agreement executed on April 29, 2014 by our Company in favour of the Lender for securing the sanctioned cash credit facility of ₹ 1,500 lacs by creating of charge on stock of raw materials, stock in progress and finished goods and bill receivable etc.</li> <li>5. 2 letters both dated August 30, 2014 from our Company to the Lender for creation of first pari passu charge by way of equitable mortgage by constructive deposit of title deeds of our Company's immovable property at Plot No. 408, Sector 8, IMT Manesar, Gurgaon - District, Haryana,, Gurgaon and Plot No. A-2/2, Industrial area, Selaqui, District - Dehradun, Uttaranchal for the total sanctioned amount of ₹ 2,100 lacs by the Lender.</li> <li>6. Letter dated April 29, 2014 from Manjit Kaur Dhingra to the Lender for creation of first pari passu charge by equitable mortgage by constructive deposit of title deeds of the immovable property owned by Manjit Kaur Dhingra in favour of the Lender.</li> <li>7. Letter dated January 16, 2015 from our Company to the Lender for creation of first pari passu charge by way of equitable mortgage by constructive deposit of title deeds of our Company's immovable property at UG 054, GF-Deck level, Commercial Complex MGF Metropolis, situated in Rect number 39 &amp; 48, Revenue estate of Sirhaul, Mehrauli-Gurgaon Road, Gurgaon, Haryana for the total sanctioned amount of ₹ 2,100 lacs by the Lender.</li> <li>8. Agreement of Guarantee executed by Narinder Singh Dhingra, Iqbal Singh Dhingra, Rohini Singh Dhingra and Manjit Kaur Dhingra in favour of the Lender jointly and severally undertake to pay the Lender forthwith on demand without protest or demur all the amounts payable by our Company together with interest to the extent of ₹ 1,800 lacs.</li> </ol>
<b>Interest Rate(%), per</b>	Interest Rate:

<b>annum unless otherwise specified)/Commission charges</b>	<i>Cash Credit:</i> Base Rate +2.00 =12.55% per annum with monthly rest <i>BG and LC:</i> Card Rate with monthly rest <i>WCDL:</i> Base Rate +1.75 =12.30% per annum with monthly rest <i>CC:</i> Base Rate +2.00 =12.55% per annum with monthly rest
<b>Purpose</b>	<i>Cash Credit:</i> for working capital requirements. <i>LC:</i> for procurement of raw materials required by our Company/goods generally traded by our Company.
<b>Security</b>	<p>1. <i>Primary Security:</i></p> <p>(i) First pari passu charge by way of hypothecation of all book debts, outstanding moneys, receivable, claims and bills which are now due and owing and which may at any time hereafter during the continuance of this security becoming due and owing to our Company(s) in the course of its business by any person, firm, company or by the government or any local public body or authority.</p> <p>(ii) First pari passu charge by way of hypothecation of all our Company's present and future stock of the goods, produce, merchandise, raw materials, stock in progress, finished goods at its godowns and factories at Gurgaon, Manesar, Dehradun and our Company's owned retail outlets.</p> <p>2. <i>Collateral Security:</i></p> <p>First pari passu charge by way of equitable mortgage of the following immoveable properties:</p> <p>a) Land admeasuring 17,091.25 square yards in Plot No. 568/1, PMW Complex, Railway Road, Gurgaon Village, Tehsil and District - Gurgaon, Haryana, India together with all buildings existing and or to be constructed therein#*^;</p> <p>b) Land admeasuring 8,059.30 square meters in Plot No. A-2/2, Industrial area, Selaqui, District - Dehradun, Uttaranchal, India together with all buildings existing and or to be constructed therein#*^ ^;</p> <p>c) Land admeasuring 1,800 square meters in Plot No. 408, Sector 8, IMT Manesar, Gurgaon - District, Haryana, India together with all buildings existing and or to be constructed therein#*^ ^ ^ and Land admeasuring super built-up area 1,182.10 square feet in UG 054, GF-Deck level, Commercial Complex MGF Metropolis, situated in Rect number 39 &amp; 48, Revenue estate of Sirhaul, Mehrauli-Gurgaon Road, Gurgaon, Haryana, India*^ ^ ^.</p> <p>(i) First exclusive charge by way of hypothecation of all moveable plant and machinery/tools/equipments/fixtures/vehicles/vessels with all its accessories, fittings and spare parts and which are presently owned/ possessed and/or hereafter be acquired by our Company.</p> <p>3. Personal Guarantees of Narinder Singh Dhingra, Rohini Singh Dhingra, Iqbal Singh Dhingra and Manjit Kaur Dhingra.</p>
<b>Tenor/Repayment schedule</b>	<p>Tenor:</p> <p><i>Cash Credit:</i> 12 months <i>BG and LC:</i> 12 months <i>WCDL and CC:</i> 12 months</p> <p>Repayment schedule: <i>WCDL and CC:</i> Lumpsum</p>
<b>Outstanding facility as on March 31, 2015</b>	<p><i>Cash Credit:</i> ₹ 375.59 lacs <i>WCDL:</i> ₹ 404.02 lacs <i>BG:</i> ₹ 15.19 lacs <i>LC:</i> ₹ 779.62 lacs</p>

#The immoveable properties stand transferred to Our Company from April 1, 2007 i.e. the date of takeover of the firm M/s. Hi Fashion

Clothing Company by our Company.

\* Under the multiple facility arrangement between The Federal Bank Limited, Axis Bank Limited and The Jammu & Kashmir Bank Limited, the title deeds of the immovable properties are deposited with The Federal Bank Limited, which are held by The Federal Bank Limited for itself and also as agents of other first pari passu charge holders i.e. Axis Bank Limited and The Jammu & Kashmir Bank Limited.

^ Our Company has leasehold rights of the immovable property leased by Narinder Singh Dhingra (earlier owned by Manjit Kaur Dhingra).

^^ Our Company has leasehold rights of the immovable property leased by Uttar Pradesh State Industrial Development Corporation Limited "UPSIDC".

^^^ Our Company owns the immovable properties.

• **Facility of ₹ 300 lacs from The Federal Bank Limited**

<b>Name of the Lender</b>	The Federal Bank Limited ("Lender")
<b>Facility</b>	Term Loan -1(TL-1): ₹ 300 lacs
<b>Loan Documentation</b>	<ol style="list-style-type: none"> <li>Sanction letter bearing number GRN/CC1548/2014 dated April 16, 2014 issued by the Lender for grant of TL-1 of ₹ 300 lacs to our Company.</li> <li>Form CHG-1 bearing SRN C41584921 dated January 30, 2015 (charge identification number 10490974) for modification of charge by charge on additional immovable property situated at UG 054, GF-Deck level, Commercial complex MGF Metropolis, Mehrauli–Gurgaon Road, Gurgaon, Haryana along with existing charge on immovable properties, stocks, receivables, moveable fixed assets etc. of our Company.</li> <li>Certificate of registration for modification of charge dated January 30, 2015 issued by the RoC, National Capital Territory of Delhi and Haryana for TL-1 of ₹ 300 lacs.</li> <li>Composite Agreement executed on April 29, 2014 by our Company in favour of the Lender for securing the sanctioned TL-1 of ₹ 300 lacs by creating charge on stock of raw materials, stock in progress and finished goods and bill receivable etc.</li> <li>2 letters both dated August 30, 2014 from our Company to the Lender for creation of first pari passu charge by way of equitable mortgage by constructive deposit of title deeds of our Company's immovable property at Plot No. 408, Sector 8, IMT Manesar, Gurgaon - District, Haryana,, Gurgaon and Plot No. A-2/2, Industrial area, Selaqui, District - Dehradun, Uttaranchal for the total sanctioned amount of ₹ 2,100 lacs by the Lender.</li> <li>Letter dated April 29, 2014 from Manjit Kaur Dhingra to the Lender for creation of first pari passu charge by equitable mortgage by constructive deposit of title deeds of the immovable property owned by Manjit Kaur Dhingra in favour of the Lender.</li> <li>Letter dated January 16, 2015 from our Company to the Lender for creation of first pari passu charge by way of equitable mortgage by constructive deposit of title deeds of our Company's immovable property at UG 054, GF-Deck level, Commercial Complex MGF Metropolis, situated in Rect number 39 &amp; 48, Revenue estate of Sirhaul, Mehrauli–Gurgaon Road, Gurgaon, Haryana for the total sanctioned amount of ₹ 2,100 lacs by the Lender.</li> <li>Demand Promissory Note dated April 29, 2014 executed by our Company in favour of the Lender for the sanctioned TL-1 of ₹ 300 lacs for payment to the Lender of the said amount together with interest, for the value received.</li> <li>Agreement of Guarantee executed by Narinder Singh Dhingra, Iqbal Singh Dhingra, Rohini Singh Dhingra and Manjit Kaur Dhingra in favour of the Lender to jointly and severally undertake to pay the Lender forthwith on demand without protest or demur all the amounts payable by our Company together with interest to the extent of ₹ 1,800 lacs.</li> </ol>
<b>Interest Rate(% , per annum unless otherwise specified)/Commission charges</b>	TL-1: Base Rate +1.80=12.00% per annum with monthly rest
<b>Purpose</b>	For purchase of new machineries.
<b>Security</b>	<ol style="list-style-type: none"> <li><i>Primary Security:</i> <ol style="list-style-type: none"> <li>First pari passu charge by way of hypothecation of all book debts, outstanding</li> </ol> </li> </ol>

moneys, receivable, claims and bills which are now due and owing and which may at any time hereafter during the continuance of this security becoming due and owing to our Company(s) in the course of its business by any person, firm, company or by the government or any local public body or authority.

- (ii) First pari passu charge by way of hypothecation of all our Company's present and future stock of the goods, produce, merchandise, raw materials, stock in progress, finished goods at its godowns and factories at Gurgaon, Manesar, Dehradun and our Company's owned retail outlets.
- (iii) Exclusive charge by way of hypothecation of plant and machinery worth ₹ 402.03 lacs located at Selaqui, Dehradun.

2. *Collateral Security:*

- (i) First pari passu charge by way of equitable mortgage of the following immovable properties:
  - a) Land admeasuring 17,091.25 square yards in Plot No. 568/1, PMW Complex, Railway Road, Gurgaon Village, Tehsil and District - Gurgaon, Haryana, India together with all buildings existing and or to be constructed therein;
  - b) Land admeasuring 8,059.30 square meters in Plot No. A-2/2, Industrial area, Selaqui, District - Dehradun, Uttaranchal, India together with all buildings existing and or to be constructed therein;
  - c) Land admeasuring 1,800 square meters in Plot No. 408, Sector 8, IMT Manesar, Gurgaon - District, Haryana, India together with all buildings existing and or to be constructed therein and  
Land admeasuring super built-up area 1,182.10 square feet in UG 054, GF-Deck level, Commercial Complex MGF Metropolis, situated in Rect number 39 & 48, Revenue estate of Sirhaul, Mehrauli-Gurgaon Road, Gurgaon, Haryana, India.

3. Personal Guarantees of Narinder Singh Dhingra, Rohini Singh Dhingra, Iqbal Singh Dhingra and Manjit Kaur Dhingra.

<b>Tenor/Repayment schedule</b>	60 months
<b>Outstanding facility as on March 31, 2015</b>	₹ 99.92 lacs

• *Facility of ₹ 300 lacs from The Federal Bank Limited*

<b>Name of the Lender</b>	The Federal Bank Limited ("Lender")
<b>Facility</b>	Term Loan -2(TL-2): ₹ 300 lacs
<b>Loan Documentation</b>	<ol style="list-style-type: none"> <li>1. Sanction letter dated bearing number GRN/TL-2/2014 dated August 29, 2014 issued by the Lender for grant of another fresh TL-2 of ₹ 300 lacs to our Company.</li> <li>2. Form CHG-1 bearing SRN C41586405 dated January 30, 2015 (charge identification number 10519017) for modification of charge by charge on additional immovable property situated at UG 054, GF-Deck level, Commercial complex MGF Metropolis, Mehrauli-Gurgaon Road, Gurgaon, Haryana along with existing charge on immovable properties, stocks, receivables, moveable fixed assets etc. of our Company.</li> <li>3. Certificate of registration of charge dated January 30, 2015 issued by the RoC, National Capital Territory of Delhi and Haryana for TL-2 of ₹ 300 lacs.</li> <li>4. Agreement of Term Loan (Applicable to Term Loan against landed property and building only) executed on August 29, 2014 by our Company in favour of the Lender for creation of exclusive charge on the additional construction on 1<sup>st</sup> and 2<sup>nd</sup> floor at A-2/2, UPSIDC Industrial area, Selaqui, Dehradun.</li> <li>5. 2 letters both dated August 30, 2014 from our Company to the Lender for creation of first pari passu charge by way of equitable mortgage by</li> </ol>

	<p>constructive deposit of title deeds of our Company's immovable property at Plot No. 408, Sector 8, IMT Manesar, Gurgaon - District, Haryana,, Gurgaon and Plot No. A-2/2, Industrial area, Selaqui, District - Dehradun, Uttaranchal for the total sanctioned amount of ₹ 2,100 lacs by the Lender.</p> <p>6. Letter dated August 30, 2014 from Narinder Singh Dhingra to the Lender for creation of first pari passu charge by equitable mortgage by constructive deposit of title deeds in favour of the Lender of the property now owned by Narinder Singh Dhingra (earlier owned by Manjit Kaur Dhingra).</p> <p>7. Letter dated January 16, 2015 from our Company to the Lender for creation of first pari passu charge by way of equitable mortgage by constructive deposit of title deeds of our Company property at UG 054, GF-Deck level, Commercial Complex MGF Metropolis, situated in Rect number 39 &amp; 48, Revenue estate of Sirhaul, Mehrauli-Gurgaon Road, Gurgaon, Haryana for the total sanctioned amount of ₹ 2,100 lacs by the Lender.</p> <p>8. Agreement of Guarantee executed by Narinder Singh Dhingra, Iqbal Singh Dhingra, Rohini Singh Dhingra and Manjit Kaur Dhingra in favour of the Lender to jointly and severally undertake to pay the Lender forthwith on demand without protest or demur all the amounts payable by our Company together with interest to the extent of ₹ 300 lacs.</p> <p>9. Security Delivery Letter executed by our Company in favour of the Lender dated August 29, 2014 for the sanctioned cash credit of TL-2 of ₹ 300 lacs to take delivery of the Demand Promissory Note even date.</p> <p>10. Demand Promissory Note executed by our Company in favour of the Lender dated August 29, 2014 for promise to make the payment or order of TL-2 of ₹ 300 lacs together with interest to the Lender for the value received.</p>
<b>Interest Rate(% , per annum unless otherwise specified)/Commission charges</b>	TL-2: Base Rate +1.80=12.00% per annum with monthly rest
<b>Purpose</b>	For purchasing or acquiring or construction of leasehold industrial property admeasuring 8,059.30 square meters along with additional construction on the 1 <sup>st</sup> and 2 <sup>nd</sup> floor situated at A-2/2, UPSIDC Industrial area, Selaqui, Dehradun, India.
<b>Security</b>	<p>1. <i>Primary Security</i></p> <p>a) First pari passu charge by way of equitable mortgage of industrial property India admeasuring 8,059.30 square meters along with additional construction on the 1<sup>st</sup> and 2<sup>nd</sup> floor situated at A-2/2, UPSIDC Industrial area, Selaqui, Dehradun.</p> <p>2. <i>Collateral Security:</i></p> <p>(i) First pari passu charge by way of equitable mortgage of the following immovable properties:</p> <p>a) Land admeasuring 17,091.25 square yards in Plot No. 568/1, PMW Complex, Railway Road, Gurgaon Village, Tehsil and District - Gurgaon, Haryana, India together with all buildings existing and or to be constructed therein;</p> <p>b) Land admeasuring 1,800 square meters in Plot No. 408, Sector 8, IMT Manesar, Gurgaon - District, Haryana, India together with all buildings existing and or to be constructed therein and</p> <p>c) Land admeasuring super built-up area 1,182.10 square feet in UG 054, GF-Deck level, Commercial Complex MGF Metropolis, situated in Rect number 39 &amp; 48, Revenue estate of Sirhaul, Mehrauli-Gurgaon Road, Gurgaon, Haryana, India.</p> <p>3. Personal Guarantees of Narinder Singh Dhingra, Rohini Singh Dhingra, Iqbal Singh Dhingra and Manjit Kaur Dhingra.</p>
<b>Tenor/Repayment</b>	60 months

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**schedule**

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**Outstanding facility as on March 31, 2015** ₹ 121.83 lacs

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• **Loan of ₹ 1,500 lacs sanctioned by Axis Bank Limited**

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**Name of the Lender** Axis Bank Limited (“Lender”)

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**Facility** Cash Credit “CC” facility: ₹ 1,500 lacs comprising the following:

1. Working Capital Demand Loan “WCDL”: ₹ 900 lacs\*
2. Letter of Credit/Foreign letter of credit “ILC/FLC”: ₹ 300 lacs\*
3. SBLC/LOU for Buyer’s Credit: ₹ 300 lacs\*
4. Loan Equivalent Risk “LER” on Forward Contracts limit: ₹ 15 lacs\*

*\*As a sublimit of Cash Credit limit*

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**Loan Documentation**

1. Sanction letter bearing number AXISB/DEL1/SME/2014-15/4560 dated July 24, 2014 issued by the Lender for renewing the existing sanctioned CC of ₹ 1,500 lacs granted to our Company.
  2. Form 8 bearing SRN B77326049 dated June 18, 2013 (charge identification number 10323965) for 2<sup>nd</sup> modification of charge on immoveable properties, moveable fixed assets, current assets, book debts etc. of our Company;
  3. Certificate of Registration for modification of Mortgage etc. dated June 18, 2013 issued by the RoC, National Capital Territory of Delhi and Haryana for CC of ₹1,500 lacs.
  4. Acknowledgement of Debt executed by the Guarantors namely Narinder Singh Dhingra, Rohini Singh Dhingra, Iqbal Singh Dhingra and Manjit Kaur Dhingra in favour of the Lender dated August 8, 2014 acknowledging the debt of the outstanding amount of ₹ 745.02 lacs and is further acknowledged that the debt is secured by additional security documents executed by our Company in favour of the Lender for the sanctioned CC of ₹ 1,500 lacs.
  5. Undertakings by our Company in favour of the Lender dated June 11, 2013.
  6. Undertaking cum indemnity deed for forward cover executed by our Company in favour of the Lender dated December 13, 2011 for the sanctioned LER limit of ₹ 15 lacs to indemnify the lender against any exchange risk on forward contracts, intimate the Lender before the expiry of the forward contract on the extension or cancellation of the same etc.
  7. Counter indemnity for standby letter of credit/letter of comfort for the sanctioned buyers credit limit of ₹ 300 lacs dated December 13, 2011 executed by our Company in favour of the Lender indemnifying the Lender from any costs, charges, expenses, claims arising from the bonds, indemnities and guarantees executed earlier with the Lender.
  8. General undertaking/indemnity for the sanctioned letter of credit of ₹ 300 lacs executed by our Company in favour of the Lender to indemnify the Lender against any responsibility arising out of the said credit or for any acts or omissions of the beneficiary(ies) for the same etc.
  9. D.P. Note cum waiver letter executed by our Company in favour of the Lender dated December 13, 2011 for the sanctioned CC of ₹ 1,500 lacs to take delivery of the Demand Promissory Note and requesting the Lender to dispense with a notice of dishonor in terms of section 98(a) of the Negotiable Instrument Act, 1881 against the Lender.
  10. Demand Promissory Note executed by our Company in favour of the Lender dated December 13, 2011 for promise to make the payment or order of CC of ₹ 1,500 lacs together with interest to the Lender for the value received.
  11. D.P. Note cum waiver letter executed by our Company in favour of the Lender dated June 11, 2013 for the sanctioned credit facility (WCDL) of ₹ 900 lacs to take delivery of the Demand Promissory Note etc.
  12. Demand Promissory Note executed by our Company in favour of the Lender dated June 11, 2013 for promise to make the payment or order of WCDL of ₹ 900 lacs
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		together with interest to the Lender for the value received.
		13. Demand/Short term credit facility Agreement dated June 11, 2013 executed by our Company in favour of the Lender for the credit facility (WCDL) of ₹ 900 lacs
		14. Declaration executed by Narinder Singh Dhingra, Director, of our Company in favour of the Lender dated June 11, 2013 stating that there is no common director on the board of our Company and the Lender, the credit facility does not fall under the category of loans to directors etc.
		15. Composite Deed of Hypothecation (current assets, movables and plant and machinery) executed on December 13, 2011 by our Company in favour of the Lender for creating charge on moveable fixed assets, book debts, current assets etc.
		16. Letter bearing number GRN/NUCL/420/2013 dated January 4, 2013 from The Federal Bank Limited to the Lender for creation of first pari passu charge by equitable mortgage by constructive deposit of title deeds in favour of the Lender.
		17. Deed of Guarantee executed by Manjit Kaur Dhingra in favour of the Lender dated December 13, 2011 for the sanctioned CC of ₹ 1,500 lacs to unconditionally and irrevocably undertake to pay the Lender forthwith on demand without protest or demur all the amounts payable by our Company together with interest in the event of any default in payment or repayment or non compliances or non performances of the terms conditions and covenants of the facility documents by our Company.
		18. Deed of Guarantee executed by Narinder Singh Dhingra in favour of the Lender dated December 13, 2011 for the sanctioned CC of ₹ 1,500 lacs to unconditionally and irrevocably undertake to pay the Lender forthwith on demand without protest or demur all the amounts payable by our Company together with interest in the event of any default in payment or repayment or non compliances or non performances of the terms conditions and covenants of the facility documents by our Company.
		19. Deed of Guarantee executed by Rohini Singh Dhingra in favour of the Lender dated December 13, 2011 for the sanctioned CC of ₹ 1,500 lacs to unconditionally and irrevocably undertake to pay the Lender forthwith on demand without protest or demur all the amounts payable by our Company together with interest in the event of any default in payment or repayment or non compliances or non performances of the terms conditions and covenants of the facility documents by our Company.
		20. Deed of Guarantee executed by Iqbal Singh Dhingra in favour of the Lender dated December 13, 2011 for the sanctioned CC of ₹ 1,500 lacs to unconditionally and irrevocably undertake to pay the Lender forthwith on demand without protest or demur all the amounts payable by our Company together with interest in the event of any default in payment or repayment or non compliances or non performances of the terms conditions and covenants of the facility documents by our Company.
<b>Interest Rate(% per annum unless otherwise specified)/ Commission charges</b>	<b>Interest Rate:</b>	CC: 1.75% above Base Rate i.e.12% per annum with monthly rest WCDL: 1.50% above Base Rate i.e.11.75% per annum with monthly rest SBLC/LOU for Buyer's Credit: Interest to be LIBOR linked and to be decided on case to case basis depending on the availability of foreign currency funds and to the extant RBI guidelines.
	<b>Commission charges:</b>	ILC/FLC: 50% of lender's standard charges SBLC/LOU for Buyer's Credit: 1.50% per annum plus applicable taxes
<b>Purpose</b>		CC: for working capital requirements ILC/FLC: to purchase/import of good SBLC/LOU for Buyer's Credit: for making payments to suppliers of tradable goods LER on Forward Contracts: to cover the forex exposure of our Company towards foreign remittance related to import/export and miscellaneous inward/outward remittance.
<b>Security</b>		1. <i>Primary Security:</i>  (i) First pari passu charge by way of hypothecation of our Company's all present and future book debts, outstanding monies, receivables, claims, bills, contracts, engagements and securities which are now due or owing or which may at any time

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hereafter during the continuance of this security become due and owing to our Company in the course of its business by any person, firm, company or body corporate or by the Government of India or any state Government or India Railways or any Government Department or office or any Municipal or local or Public or Semi-Government body or authority whatsoever including those relating to the assets leased out and/or given on hire purchase basis.

- (ii) First pari passu charge by way of hypothecation of whole of our Company's movable goods and assets both present and future and including but without prejudice to generality of the foregoing words all stocks of raw material, work-in progress, semi-finished and finished goods such as garments, packing materials, consumable stores and spares etc., whatsoever situate and or transit whether now or belonging to or that may at any time during the continuance of this security belong to our Company or that may be held by any party anywhere to the order and disposition of our Company.

2. *Collateral Security:*

- (i) First pari passu charge by way of hypothecation of our Company's all tangible moveable machinery, plant machinery, fixtures, fittings other installation, cranes, furniture, computers and other accessories vehicles together with spare tools and accessories and all other articles lying on the premises or in the godowns of our Company or in the custody of any person who are mercantile agents of our Company or in the course of transit which may hereinafter be brought stored or be lying or upon the said premises of our Company.

- (ii) First pari passu charge by way of equitable mortgage of the following immoveable properties:

- a) Land admeasuring 17,091.25 square yards in Plot No. 568/1, PMW Complex, Railway Road, Gurgaon Village, Tehsil and District - Gurgaon, Haryana, India together with all buildings existing and or to be constructed therein;
- b) Land admeasuring 8,059.30 square meters in Plot No. A-2/2, Industrial area, Selaqui, District - Dehradun, Uttaranchal, India together with all buildings existing and or to be constructed therein;
- c) Land admeasuring 1,800 square meters in Plot No. 408, Sector 8, IMT Manesar, Gurgaon - District, Haryana, India together with all buildings existing and or to be constructed therein and
- d) Land admeasuring super built-up area 1,182.10 square feet in UG 054, GF-Deck level, Commercial Complex MGF Metropolis, situated in Rect number 39 & 48, Revenue estate of Sirhaul, Mehrauli-Gurgaon Road, Gurgaon Haryana, India\*.

3. Personal Guarantees of Narinder Singh Dhingra, Rohini Singh Dhingra, Iqbal Singh Dhingra and. Manjit Kaur Dhingra.

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<b>Tenor/Repayment schedule</b>	Tenor: CC:1(one) year WCDL: 1(one) year ILC/FLC: Maximum upto 180 days SBLC/LOU for Buyer's Credit: Maximum 180 days LER on Forward Contracts: Maximum 1 year  Repayment Schedule: CC/WCDL: On Demand
Outstanding facility as on March 31, 2015	CC: ₹ 422.22 lacs

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\*The charge creation of the immoveable property with the Bank is still under process.

- Facility of ₹ 1,500 lacs sanctioned by The Jammu & Kashmir Bank Limited

<b>Name of the Lender</b>	The Jammu & Kashmir Bank Limited (“Lender”)
<b>Facility</b>	Cash Credit “CC” facility: ₹ 1,500 lacs comprising the following: <ol style="list-style-type: none"> <li>1. Inland/Foreign Letters of Credit: ₹ 300 lacs*</li> </ol>
	<i>*As a sublimit of the Cash Credit limit</i>
<b>Loan Documentation</b>	<ol style="list-style-type: none"> <li>1. Sanction letter bearing reference number JKB/ZOD/ADV/2014-771 dated August 12, 2014 issued by the Lender for renewing the existing sanctioned CC of ₹ 1,500 lacs granted to our Company.</li> <li>2. Sanction letter bearing reference number JKB/LN/ADV/13 dated March 25, 2013 issued by the Lender for renewing the existing sanctioned CC of ₹ 1,500 lacs granted to our Company.</li> <li>3. Form 8 bearing SRN B60525995 dated October 26, 2012 (charge identification number 10337662) for modification of charge for the sanctioned CC of ₹ 1,500 lacs by charge on immovable property, book debts, moveable property, current assets etc..</li> <li>4. Certificate of Registration for modification of Mortgage etc. dated October 26, 2012 issued by the RoC, National Capital Territory of Delhi and Haryana for CC of ₹ 1,500 lacs.</li> <li>5. Affidavit by Narinder Singh Dhingra executed on October 10, 2012 in favour of the Lender confirming that all the information given, documents submitted/executed with the Lender of the loan ₹ 1,500 lacs are true and correct as per record maintained by our Company.</li> <li>6. Hypothecation Deed executed on October 10, 2012 by our Company in favour of the Lender for creation of charge over current assets, receivables, raw material, stocks in process etc.</li> <li>7. Hypothecation of Book Debts dated October 20, 2012 by our Company in favour of the Lender for creating charge on book debts, outstanding moneys, receivables, charge, bills etc.</li> <li>8. Letter bearing number GRN/NUCL/2013 dated January 4, 2013 from The Federal Bank Limited to the Lender for creation of first pari passu charge by equitable mortgage by constructive deposit of title deeds of the immovable properties of our Company and Manjit Kaur Dhingra in favour of the Lender.</li> <li>9. Demand Promissory Note executed by our Company in favour of the Lender dated October 12, 2012 for promise to make the payment or order the sum of ₹ 1,500 lacs together with interest to the Lender for the value received.</li> <li>10. Loan Agreement dated October 10, 2012 executed between our Company and the Lender for the loan of ₹ 1,500 lacs.</li> <li>11. Letter of Undertaking executed by our Company in favour of the Lender dated October 10, 2012 undertaking to pay ₹ 1,500 lacs together with interest within a period of 1 year and such repayment would be without prejudice to the Lenders right to recover the same on demand etc.</li> <li>12. Letter of Waiver executed by our Company in favour of the Lender dated October 12, 2012 for ₹ 1,500 lacs in respect to dispense with the notice of dishonor in terms of Section 98(A) of the Negotiable Instrument Act, 1881 etc.</li> <li>13. Letter of Continuity executed by our Company in favour of the Lender dated October 12, 2012 in respect that the Demand Promissory Note and other security documents shall remain in force until subsistence of the credit facility of ₹ 1,500 lacs.</li> <li>14. Deed of Guarantee executed by Manjit Kaur Dhingra in favour of the Lender dated October 10, 2012 to pay the Lender forthwith on demand all the amounts payable to the extent of ₹ 1,500 lacs together with interest by our Company.</li> <li>15. Affidavit by Manjit Kaur Dhingra executed on October 10, 2012 in favour of the Lender confirming ownership of property admeasuring 17,091.25 square yards situated at Plot No. 568/1, PMW Complex, Railway Road, Gurgaon Village, Tehsil and District - Gurgaon, Haryana, India and mortgaging the same and creating first pari passu charge in favour of the Lender</li> <li>16. Deed of Guarantee executed by Narinder Singh Dhingra and Rohini Dhingra in favour of the Lender dated October 10, 2012 for the sanctioned cash credit of ₹</li> </ol>

	1,500 lacs to jointly and severally undertake to pay the Lender all the amounts payable including the principal amount by our Company together with interest.
<b>Interest Rate(% per annum unless otherwise specified)/ Commission charges</b>	CC: Base Rate +2.50% (floating) presently 12.75% per annum with monthly rests
<b>Purpose</b>	Working capital requirements and to procure raw materials, stores and machinery parts etc.
<b>Security</b>	<p>1. <i>Primary Security:</i></p> <p>(i) First pari passu charge by way of hypothecation of all its current assets, raw material, stocks in process, finished and semi-finished goods, stocks of readymade garments, fabrics, shoes, furniture fixture and receivables both present and future whether lying loose or stored in or about or shall hereinafter from time to time during the continuous of security be brought into or upon be stored or be in or about of our Company's showrooms, factories premises and godowns or elsewhere in the country or in the course of transit or on high seas or on order or delivery, howsoever and whosoever in the possession of our Company and either by way of substitution or addition.</p> <p>(ii) First pari passu charge by way of hypothecation of all our Company's present and future book debts, outstanding moneys, receivables, claims, bills, contracts, securities, investments, rights and other moveable assets.</p> <p>2. <i>Collateral Security:</i></p> <p>(i) First pari passu charge by way of equitable mortgage of the following immoveable properties:</p> <p>a) Land admeasuring 17,091.25 square yards in Plot No. 568/1, PMW Complex, Railway Road, Gurgaon Village, Tehsil and District - Gurgaon, Haryana, India together with all buildings existing and or to be constructed therein;</p> <p>b) Land admeasuring 8,059.30 square meters in Plot No. A-2/2, Industrial area, Selaqui, District - Dehradun, Uttaranchal, India together with all buildings existing and or to be constructed therein;</p> <p>c) Land admeasuring 1,800 square meters in Plot No. 408, Sector 8, IMT Manesar, Gurgaon - District, Haryana, India together with all buildings existing and or to be constructed therein and</p> <p>d) Land admeasuring super built-up area 1,182.10 square feet in UG 054, GF-Deck level, Commercial Complex MGF Metropolis, situated in Rect number 39 &amp; 48, Revenue estate of Sirhaul, Mehrauli-Gurgaon Road, Gurgaon, Haryana, India*.</p> <p>3. Personal Guarantees of Narinder Singh Dhingra, Rohini Singh Dhingra and Manjit Kaur Dhingra.</p>
<b>Tenor/Repayment schedule</b>	<p>Tenor :</p> <p>CC:1(one) year subject to renewal after review</p> <p><i>Inland/Foreign Letters of Credit:</i> Maximum 90 days for inland and 180 days for Import</p>
Outstanding facility as on March 31, 2015	CC: ₹ 976.58 lacs

\*The charge creation of the immoveable property with the Bank is still under process.

Our Company cannot, without the prior consent of the lenders, undertake, *inter alia*, any of the following:

- a. Effect a change in its capital structure;
- b. Formulate any scheme of amalgamation or reconstruction;
- c. Undertake any new project, implement any scheme of expansion or acquire fixed assets of substantial value except those indicated in the fund flow statement submitted to the lenders from time to time and approved by the lenders;

- d. Make any change in the Memorandum and Articles of our Company;
- e. Invest by way of share capital in, or lend or advance funds to, or place deposits with any concern(including group companies); normal trade credit or security deposit in the normal course of business or advances to employees can, however be extended;
- f. Undertake guarantee obligations on behalf of any other borrower, other company(including group companies) or any third party;
- g. Pay guarantee commission to the guarantors whose guarantees have been stipulated/furnished for the credit limits sanctioned by the lenders;
- h. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, and company or otherwise accept deposits apart from the arrangement indicated in the funds flow statements submitted to the lenders from time to time and approved by the lenders;
- i. Repay all unsecured loans/deposits raised for financing a project which are always subordinate to the loans of the lenders/financial institutions;
- j. Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default has occurred in any repayment obligations;
- k. Create any charge, mortgage, pledge, hypothecation, lien, encumbrances over its undertakings/property or any part thereof in favour of any financial institution, bank, company, firm or any person;
- l. Sell, assign, mortgage or dispose off any of the fixed assets charged to the lenders;
- m. Sell or dispose off in any manner whatsoever the hypothecated assets or any part thereof charged to the lenders;
- n. Enter into any contractual obligation of a long term nature or affecting our Company financially to a significant extent;
- o. Permit any transfer of the controlling interest or make any drastic change in its management set up;
- p. Change the practice with regard to remuneration of the Directors by means of ordinary remuneration or commission scale of sitting fees etc.;
- q. Undertake any trading activity other than the sale of products arising out of its own manufacturing operations;
- r. Grant loans to directors/associate concerns, other related entities, promoters and other companies;
- s. Withdraw monies brought in by key promoters/depositors;
- t. Make any repayment of the loans and deposits and discharge other liabilities except those shown in the funds flow statements submitted to the lenders from time to time and
- u. Make any material change in its shareholding pattern.

## **B. Details of Other Borrowings of our Company**

- *Vehicle Loans*

Following are the details of the vehicle loans availed by our Company as at March 31, 2015:

<b>Name of the Bank</b>	<b>Amount Sanctioned (₹ in lacs)</b>	<b>Balance outstanding amount (₹ in lacs) as at March 31, 2015</b>
HDFC Bank Limited	50.00	14.37
ICICI Bank Limited	5.38	2.28
ICICI Bank Limited	13.47	11.78
ICICI Bank Limited	13.47	11.78

## SECTION VII: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below, there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Subsidiary, our Directors, our Promoters and Group Entities that would have a material adverse effect on our business. Further, except as stated below there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company and our Subsidiaries, default in creation of full security as per terms of issue/other liabilities. No proceedings have been initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company and our Subsidiaries and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Subsidiary, our Promoters, our Directors and Group Entities.*

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

*Furthermore, except as stated below, in the last five years preceding the date of this Draft Red Herring Prospectus there have been (a) no instances of material frauds committed against our Company and its Subsidiary; (b) no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the case of our Company and its Subsidiary and, no prosecutions have been filed (whether pending or not), fines imposed or compounding of offences for our Company and its Subsidiary; (c) no litigation or legal action pending or taken by any ministry or department of the government or any statutory body against the Promoters. For details of contingent liability as per Accounting Standard 29, refer to the section "Financial Statements" on page 180 of this Draft Red Herring Prospectus.*

*Further, except as described below, there are no proceedings initiated or penalties imposed by any authorities against our Company, the Subsidiary and Directors and no adverse findings in respect of our Company, the Promoters, the Group Entities and the persons/entities connected therewith or Subsidiary, as regards compliance with securities laws. Further, except as described below, there are no instances where our Company, the Subsidiary or Directors have been found guilty in suits or criminal or civil prosecutions, or proceedings initiated for economic or civil offences or any disciplinary action by SEBI or any stock exchange, or tax liabilities.*

*Further, except as disclosed below there are no (i) litigation against the Directors or the Promoters involving violation of statutory regulations or alleging criminal offence; (ii) past cases in which penalties were imposed by the relevant authorities on our Company, the Subsidiary, the Promoters, the Group Entities and the Directors; and (iii) outstanding litigation or defaults relating to matters likely to affect the operations and finances of our Company and the Subsidiary, including disputed tax liabilities and prosecution under any enactment in respect of Schedule V to the Companies Act, 2013. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.*

#### **A. CONTINGENT LIABILITIES**

Our total contingent liabilities that have been provided for and as disclosed in our restated financial information, as per Indian GAAP as of March 31, 2015, were ₹ 73.77 lacs. For further details, see the notes to our restated consolidated financial information under the section titled "Financial Information" on page 180 of this Draft Red Herring prospectus.

#### **B. LITIGATION INVOLVING OUR COMPANY**

##### *Litigation against our Company*

##### *Civil Proceedings*

1. An Arbitration Claim Petition dated November 04, 2011 has been filed by Ambience Commercial Developers Private Limited (“**Claimant**”) against our Company (“**Respondent**”) before Justice Devinder Gupta (Retired), Sole Arbitrator. The Respondent had entered into an agreement dated February 7, 2011 with the Claimant for using retail space at Space No. F – 119, First Floor, Ambience Mall, Vasant Kunj, New Delhi on monthly rent or license fee at the rate of ₹ 225 per square feet of the super area from the date of commencement of liability to pay lease rent or license fee and security deposit equivalent to four months lease rental/license fees. The Claimant has alleged that the Respondent has only paid security deposit equivalent to one month lease rental/ license fees and that the Respondent persistently failed to adhere to the terms of the Agreement and defaulted in making payment of security deposit and lease rental/ license fees. Hence the Claimant has filed this Claim Petition praying *inter alia* for possession of Space No. F – 119, First Floor, Ambience Mall, Vasant Kunj, New Delhi and payment of ₹ 57,20,201 towards payment of lease rental/license fees with the future interest at rate of 24 per cent per annum and ₹ 1,00,00,000 towards damages against the loss of reputation and business of Claimant. The Respondent has filed a written statement on December 21, 2011 and denied all the allegations raised by the Claimant. Further, on January 5, 2013 the Respondent proposed to amicably settle the Claim Petition and to pay lease rent for ten months, however there is no response from Claimant on the proposed settlement. The Arbitration Claim Petition is currently pending before Justice Devinder Gupta (Retired), Sole Arbitrator.

#### ***Proceeding related to Intellectual Property Rights***

1. An Opposition bearing number No Del- 805405 dated July 26, 2013 has been filed by M/s. Hind Textile against trademark application number 1778090 made by our Company before the Trademark Registry, Delhi. M/s. Hind Textile has filed the aforesaid opposition opposing registration of our trademark “spana” (logo) published under application no. 1778090 in class 25 in the Trademark Journal No. 1594 dated June 24, 2013, which they allege is deceptively and similar to the trademark “España Gold” which has been used by M/s. Hind Textile since 2005. Our Company has filed a counter statement on August 4, 2014 and denied allegation made by M/s. Hind Textile. The opposition is pending before the Trademark Registry, Delhi.
2. An Opposition No Del- 807744 filed by M/s. S & S Inc against trademark application no. 2028345 made by our Company. M/s. S & S Inc has filed the aforesaid opposition dated September 23, 2013 opposing registration of our trademark “<spana” published under application no. 2028345 in class 25 in the Trademark Journal No. 1597 dated July 15, 2013, which they allege is deceptively and similar to the trademark “España” registered by M/s. S & S Inc under no.1885092 in the class 18. Our Company has filed a counter statement on September 11, 2014 and denied allegation made by M/s. S & S Inc. The opposition is pending before the Trademark Registry, Delhi.
3. An Opposition No Del- 759256 filed by Fronsac TM S.A. against trademark application no. 1630386 made by our Company. Fronsac TM S.A. has filed the aforesaid opposition dated March 31, 2010 opposing registration of our trademark “3 SIXTY” published under application no. 1630386 in class 25 in the Trademark Journal No. 1432 dated January 16, 2010, which they allege is deceptively and similar to the trademark “MISS SIXTY”. Further, Fronsac TM S.A. stated that the trade mark “MISS SIXTY” is registered in several countries of the world and is also registered in India by them under class 25 and 3. Application for registration of trademark “MISS SIXTY” under class 29, 9, 14 and 18 are pending for approval before Trade Mark Registry, Delhi. Our Company has filed a counter statement on December 8, 2012 and denied allegation made by Fronsac TM S.A. The opposition is pending before the Trademark Registry, Delhi.

#### ***Proceedings related to labour disputes***

1. A case bearing industrial dispute no. 139/2010 has been filed by Chetan Prakash (“**Applicant**”) against Hi Fashion Clothing Company, our Company (“**Respondent**”) before the Presiding Officer, Industrial Tribunal cum Labour Court, Gurgaon alleging that the Respondent has illegitimately and illegally terminated the employment of the Applicant and has requested for reinstatement of his services along with retrenchment compensation and wages for unemployment from the date of termination of his services. Our Company has filed a written statement before the Labour Court denying the allegation raised by the Applicant.

The case is currently pending before the Presiding Officer, Industrial Tribunal cum Labour Court, Gurgaon for adjudication

2. A civil writ petition no. 16304 of 2012 has been filed by Satish Chauhan, deceased after filing the petition and presently being represented through his legal representatives his wife, Neenu Chauhan and others, (collectively referred as “**Petitioner**”) against Hi Fashion Clothing Company, our Company (“**Respondent 1**”) and Presiding Officer, Industrial Tribunal cum-labour Court-II, Gurgaon (“**Respondent 2**”) before the High Court of Punjab and Haryana at Chandigarh (“**Court**”) for setting aside the award dated February 22, 2012 passed by the Respondent 2 as it erred in denying reinstatement of his services with the Respondent 1 and for granting a meager compensation of ₹ 20,000 for the illegitimate and illegal termination of his employment by the Respondent 1 (“**Impugned Award**”) and he has further requested the Court for reinstatement of his services along with retrenchment compensation and wages for unemployment from the date of termination of his services. The case is currently pending before the High Court of Punjab and Haryana at Chandigarh.

#### ***Proceedings under Consumer Protection Act, 1996***

1. A consumer complaint bearing number 33 of 2015 (“**Complaint**”) has been filed by Jagmeet Singh Jammu (“**Complainant**”) against Empire Shoe Co. (“**Respondent 1**”) and our Company (“**Respondent 2**”) (together referred to as “**Respondent**”) before the Consumer Disputes Redressal Forum, Chandigarh. The Complainant has alleged that he purchased a sweater from Respondent 1 which partly faded after one wash and upon approaching Respondent 1 and 2 repeatedly, Respondent 1 returned the sweater to the Complainant stating that there was no manufacturing defect. The Complaint has been filed praying *inter alia* for (i) to return the sweater and pay back the full amount (ii) to pay ₹ 20,000 on account of mental harassment, agony and suffering (iii) ₹ 11,000 as cost of litigation expenses.

The Complaint is presently pending before the Consumer Disputes Redressal Forum, Chandigarh.

#### ***Criminal Proceedings***

#### ***Proceedings under Minimum Wages Act, 1948***

1. A criminal case bearing no. 8909 of 2015 has been filed by the Enforcement Officer, Ghaziabad (“**Complainant**”) against our Company before the Court of the designated Officer under the Minimum Wages Act, 1948 pertaining to alleged non payment of overtime wages to Sushant Kumar, sales man in our Company for the period from April 2014 to August 2014 amounting to ₹ 28,125. The case is presently pending adjudication in the Court of the designated Officer under the Minimum Wages Act, 1948.

#### ***Litigation by our Company***

#### ***Civil Proceedings***

1. An Execution Petition bearing number 2763 of 2014 has been filed by our Company (“**Petitioner**”) against SDO, City – II, Dakshin Haryana Bijli Vitran Nigam Limited, Gurgaon and Others (“**Respondents**”) before the Court of Civil Judge, Junior Division, Gurgaon. The Petitioner has filed the Execution Petition in connection with the Recovery Suit No. 2 of 2009 (“**Recovery Suit**”) that had been filed by the Petitioner before the Court of Civil Judge (Junior Division) Gurgaon.

The Recovery Suit had been filed the Petitioner against the Respondents before the Civil Judge (Junior Division), Gurgaon, seeking an injunction for restraining the Respondents from disconnecting the commercial electrical connection of Petitioner and to correct the amount of ₹ 7,92,656 in the bill of March 2009 shown as sundry charges. The Civil Judge (Junior Division), Gurgaon *vide* its order dated March 2, 2012 allowed the Recovery Suit and directed the Respondents to correct the bill for the month of March 2009 and all subsequent bills and to return the amount of ₹ 10,36,280 deposited by the Petitioner towards the impugned bill along with interest at the rate of 6 per cent from the date of deposit in favour of the Petitioner. However, the Respondent has not returned the decreed amount to the Plaintiff which has been decreed on March 2, 2012 by Civil Judge (Junior Division), Gurgaon. Hence, the Petitioner has filed this Execution Petition.

2. A Civil Suit bearing no. 486 of 2011 has been filed by our Company (“**Petitioner**”) against Polaris Retail Infotech Limited and Polaris Retail Infotech Limited (“**Defendants**”) before the Court of Civil Judge (Senior Division), Gurgaon. The Petitioner had entered into an agreement dated July 3, 2008 with the Defendant for providing 50 SAP software licenses for total consideration of ₹ 50,00,000 with other terms



and conditions stated therein. Further, the Petitioner claimed that the Defendants provided 35 SAP software licenses only and did not provide the remaining 15 SAP software licenses to the Petitioner. Hence the Petitioner filed this Civil Suit, for recovery of ₹ 15,00,000 along with interest at the rate of 18 per cent per annum. Further on April 17, 2014 the Civil Suit has been transferred from Civil Judge, Senior Division, Gurgaon to Civil Judge, Junior Division, Gurgaon. The Civil Suit is currently pending before Court of Civil Judge (Senior Division), Gurgaon.

3. A Civil Suit bearing no. 535 of 2014 has been filed by our Company (“**Plaintiff**”) against Aureole Inspeces (India) Private Limited (“**Defendants**”) before the Court of Senior Civil Judge, Gautam Buddh Nager. The Plaintiff has entered into an agreement dated December 21, 2007 with the Defendant for personal, limited and non-exclusive license to use the registered trademark of the Plaintiff that is “Numero Uno”. In lieu of such use, the Defendant was under contractual obligation to pay to the Plaintiff royalty amount to be calculated as per the terms of the agreement. For Fiscal 2011 – 2012 and 2012 – 2013, the Defendant failed to provide royalty to the Plaintiff for income generated by it using the Plaintiff’s registered trademark and its goodwill. Further, it was alleged that the Defendant has unilaterally deducted tax at source upon royalty payable to the Plaintiff corresponding to the Fiscal 2012 – 2013 and deposited the same with relevant income tax authorities and no amount whatsoever received by the Plaintiff upon which tax had already been deducted. Hence the Plaintiff has filed this Civil Suit for payment of ₹ 5,84,145 being the amount due corresponding to which the Defendant has already deposited the tax with the Income Tax Authorities along with interest at the rate of 18 per cent per annum. The plaintiff also prayed to the Court to pass a decree for mandatory and permanent injunction for restraining the Defendant and its employees for using the mark “Numero Uno” and for payment of amount in terms of the Agreement payable to the Plaintiff for the Fiscal 2011 – 2012 and 2012 – 2013. The Civil Suit is currently pending before the Court of Senior Civil Judge, Gautam Buddh Nagar.
4. A Claim Petition has been filed by our Company (“**Claimant**”) against Parneet Walia, M/s. Paramount Fashions NU (“**Respondent**”) before Arbitral Tribunal of Justice Manju Goel (Retired), Sole Arbitrator. The Claimant has entered into an agreement dated April 15, 2008 for appointment of Respondent as its distributor in the State of Punjab, Himachal Pradesh, Jammu Kashmir and Union Territory of Chandigarh to market and distribute products manufacture and sold by the Claimant under the brand name “NU Blue” on purchase basis. The Respondent was contractually obligated to remit payment of the goods purchased within 30 days from the date of rising of the invoice by the Claimant failing which the Respondent shall be liable to pay an interest at the rate of 18% per annum upon the amount due and payable to the Claimant. It was alleged that in the Fiscal 2011 – 2012, the Respondent placed orders for the supply of good, however the Respondent failed to make payment of ₹ 5,29,863 for the purchase of goods manufactured by the Claimant. It was also alleged that the Respondent has failed to comply with the statutory requirements of the Central Sale Tax Act, 1956 read with Central Sales Tax (Registration and Turnover) Rules 1957 and failed to provide Form C to the Claimant against the product purchased. Hence the Claimant has filed this Claim Petition praying to direct the Respondent *inter alia* for (a) payment of ₹ 5,29,863 towards the outstanding payable by the Respondent to the Claimant in relation to goods/products purchased; (b) payment of ₹ 1,95,361 towards interest on the amount due and payable by the Respondent to the Claimant for defaulting on making payment in terms of the Agreement dated April 15, 2008; (c) payment of ₹ 14,245 towards the penalty which is likely to be imposed by the assessing office for non-compliance of the provisions of Central Sales Tax Act, 1956; (d) to direct the Respondent to provide Form C corresponding to the goods purchased from the Claimant; and (e) the payment of ₹ 15,00,000 as the cost of the litigation in favour of the Claimant. The Claim Petition is currently pending before Arbitral Tribunal of Justice Manju Goel (Retired), Sole Arbitrator.
5. A Claim Petition has been filed by our Company (“**Claimant**”) against Pankaj Walia, M/s. Paramount Fashions (“**Respondent**”) before Arbitral Tribunal of Justice Manju Goel (Retired), Sole Arbitrator. The Claimant has entered into an agreement dated December 10, 2008 (“**Agreement**”) with the Respondent to market and distribute the product manufactured by the Claimant under the brand name “Numero Uno” on purchase basis. The Agreement was valid for a period of five years from the date of its execution. For the goods purchased by the Respondent, it was agreed that the Claimant shall pay an amount equivalent to margin of 13% that would be calculated by adding the distributor price plus the central tax payable thereon. The Respondent was contractually obligated to remit payment of the goods purchased within 60 days from the date of rising of the invoice by the Claimant failing which the Respondent shall be liable to pay an interest at the rate of 18% per annum upon the amount due and payable to the Claimant. The Claimant has claimed that in the Fiscal 2011 – 2012, the Respondent placed orders for the supply of goods, however the Respondent failed to make payment of ₹ 6,33,18,433 along with 18 % interest against the goods purchased

by the Respondent. It was also claimed that the Respondent has failed to comply with the statutory requirements of the Central Sale Tax Act, 1956 read with Central Sales Tax (Registration and Turnover) Rules 1957 and failed to provide Form C to the Claimant against the product purchased. Hence the Claimant has filed this Claim Petition praying to direct the Respondent *inter alia* for (a) payment of ₹ 3,17,63,075 towards the outstanding payable by the Respondent to the Claimant in relation to goods/products purchased, (b) payment of ₹ 95,58,800 towards interest on the amount due and payable by the Respondent to the Claimant for defaulting on making payment in terms of the Agreement, (c) payment of ₹ 86,60,360 towards the penalty which is likely to be imposed by the assessing office for non-compliance of the provisions of Central Sales Tax Act, 1956; (d) payment of ₹ 49,04,988 towards the products and goods manufactured by the Claimant and purchased by the Respondent under the oral agreement and Form C liability; (e) to provide Form C corresponding to the goods purchased from the Claimant and (f) payment of ₹ 15,00,000 as the cost of the litigation in favour of the Claimant. The Claim Petition is currently pending before Arbitral Tribunal of Justice Manju Goel (Retired), Sole Arbitrator.

6. An Arbitration Petition case number 10 of 2015 along with a civil miscellaneous application number 1130-Cii of 2015 (in Arbitration Petition case number 10 of 2015) dated January 14, 2015 has been filed by our Company (“Petitioner”) against Paramount Fashions Private Limited (“Respondent”) before the High Court for the states of Punjab and Haryana, Chandigarh (“Court”) for appointment of Arbitrator under Section 11 of the Arbitration and Conciliation Act, 1996 read with the Scheme of Punjab & Haryana High Court 2003 for appointment of Arbitrators by the Chief Justice of Punjab & Haryana High Court and to grant exemption under Section 151 of the Civil Procedure Code, 1908 from filing original/certified copies of certain documents, for filing true typed copies of such documents. The Court vide order dated January 16, 2015 has allowed the civil miscellaneous application and has issued notice of motion in the Arbitration Petition. The Arbitration Petition is currently pending before the High Court for the states of Punjab and Haryana, Chandigarh.
7. An Arbitration Petition case number 11 of 2015 along with a civil miscellaneous application number 1130-Cii of 2015 (in Arbitration Petition case number 10 of 2015) dated January 14, 2015 has been filed by our Company (“Petitioner”) against Paramount Fashions Private Limited (“Respondent”) before the High Court for the states of Punjab and Haryana, Chandigarh (“Court”) for appointment of Arbitrator under Section 11 of the Arbitration and Conciliation Act, 1996 read with the Scheme of Punjab & Haryana High Court 2003 for appointment of Arbitrators by the Chief Justice of Punjab & Haryana High Court and to be grant exemption under Section 151 of the Civil Procedure Code, 1908 from filing original/certified copies of certain documents, for filing true typed copies of such documents. The Court vide order dated January 16, 2015 has allowed the civil miscellaneous application and has issued notice of motion in the Arbitration Petition. The Arbitration Petition is currently pending before the High Court for the states of Punjab and Haryana, Chandigarh.

### ***Tax Proceedings***

1. An Appeal bearing number 1377 – 1400/ATVAT/11 – 12 (“**Appeal**”) has been filed by our Company (“**Appellant**”) against the Commissioner, Department of Trade & Tax, Delhi (“**Respondent**”) before the Appellate Tribunal Delhi Value Added Tax, Delhi (“**Tribunal**”), against the order dated November 9, 2011 (“**Impugned Order**”) passed by Additional Commissioner, Special Zone, Department of Trade and Taxes, New Delhi (“**Additional Commissioner**”) under the Delhi Value Added Tax Act, 2004 (“**DVAT Act**”).

The Respondent had, *vide* order dated November 9, 2011 under DVAT Act, reject the objection filed by the Appellant in Objection No. 1372-1395/Objection/AC-Spl.Zone/10-11. Appellant has filed an objection before Office of the Additional Commissioner, Special Zone, Department of Trade and Taxes, New Delhi against the notice of default assessment of tax and interest under section 32 of D VAT Act issued by Department of Trade and Tax, Delhi. It was alleged that the Appellant has furnished incomplete return or incorrect return or furnished a return that does not comply with requirements of DVAT Act.

The Appeal has been filed on the grounds, *inter alia*, that a) the Impugned Order is not sustainable in law for the reason given in the statement of facts; b) the Additional Commissioner has not interoperated section 9 of the DVAT Act, c) the Additional Commissioner has erred in holding that claim of stock transfer cannot be relied in the absence of grounds for the reason in the statement of facts.

Furthermore, Appellant has also filed an application under section 76 (4) of the DVAT Act praying for grant of stay of the disputed demand created *vide* Impugned Order.

The Appeal is currently pending before the Tribunal.

#### *Proceedings related to labour disputes*

1. A civil writ petition no. 25430 of 2014 dated October 30, 2014 has been filed by our Company (“**Petitioner**”) against The Presiding Officer, Industrial Tribunal-cum Labour Court, Gurgaon (“**Respondent 1**”) and Sube Singh (“**Respondent 2**”) before the High Court of Punjab & Haryana, Chandigarh for setting aside the order dated June 27, 2014 passed by Respondent 1, as it erred in awarding re-instatement of the Respondent 2 in the service with continuity of services with our Company along with payment of wages at ₹ 3,050 per month from the date of termination of his services i.e. June 8, 2006 till his reinstatement with consequential benefits and payment of interest at 10% per annum towards arrears of pay and allowances (“**Impugned Order**”). Earlier the Respondent 2 had filed a case before Respondent 1 against Hi Fashion Clothing Company, our Company alleging that his employment was illegitimately and illegally terminated by our Company from June 8, 2006 and had requested for reinstatement of his services along with retrenchment compensation and wages for unemployment from the date of termination of his services which has been granted vide the Impugned Order. The case is pending before the Presiding Officer, Industrial Tribunal-cum Labour Court, Gurgaon.

#### *Notices issued by our Company*

**NIL**

### **C. LITIGATION INVOLVING OUR DIRECTORS**

#### *Cases filed against our Directors*

#### *Litigation involving our Director, Arun Kumar Jain*

#### *Civil Proceedings\**

1. A CS(OS) No. 1686 of 2010 has been filed by Veena Monga (“**Plaintiff**”) against Ravi Monga, (“**Defendant 1**”); Varun Monga, (“**Defendant 2**”); Manju Monga, (“**Defendant 3**”); Jainsons Apparel Exports Private Limited, through Arun Jain (“**Defendant 4**”); Arun Jain (“**Defendant 5**”); Adiyta Jain (“**Defendant 6**”); Ganga Parshad Puri (“**Defendant 7**”); Santosh Kumari (“**Defendant 8**”); Ajay Puri, (“**Defendant 9**”); Raman Puri, (“**Defendant 10**”); Hari Mohan Monga, (“**Defendant 11**”); Amrit Mohan Monga, (“**Defendant 12**”); Man Mohan Monga, (“**Defendant 13**”), Mohini Chawla, (“**Defendant 14**”); Santosh Sawhney, (“**Defendant 15**”); Rani Lamba, (“**Defendant 16**”); Rahul Chawla (“**Defendant 17**”); Sanjay Chawla (“**Defendant 18**”); Karnail Singh (“**Defendant 19**”); Jarnail Singh (“**Defendant 20**”); Pararmjeet Singh (“**Defendant 21**”); Mahesh Kumar Jain (“**Defendant 22**”); Moulin Commercial Limited (“**Defendant 23**”) (Defendant 1 to Defendant 23 are collectively hereinafter referred to as “**Defendants**”) before the High Court of Delhi at New Delhi (“**Court**”) for separate possession by partition under Section 26 read with Order VII Rule 1 of the Code of Civil Procedure, 1908, for a decree of partition by metes and bounds.

Defendant 4 was inducted as a tenant to 677 square yards of the property “**shed no 3 property**” which is part of a larger property situated at Plot No. 9/45, Kirti Nagar, Industrial Area, New Delhi admeasuring 1866.66 square yards consisting of Shed I, Shed II and Shed III “**Joint Property**” by virtue of lease deed dated September 7, 1972 executed between late H.R. Monga, his late wife Pushpawati Monga and their five son’s i.e. the Plaintiff, Defendant 1, Defendant 11 to 13 as joint lessors/owners and lessee, late T.C. Jain, director of Defendant 4 (now known as Jainsons Corporation Limited) “**Lease Deed**”.

The Plaintiff has filed the case on the grounds, inter alia, that a) Defendant 4 has not remitted her rent amount of the said property or shed no 3 property post April 2010 onwards; b) Defendant 1 and 2 have illegally entered into an agreement to sell with Defendant 7 to Defendant 10 for selling the entire said property or shed no 3 property without any permission or consent of the Plaintiff or the other joint lessors/owners; c) Defendant 1 and 2 have illegally handed over the said property or shed no 3 property to Defendant 7 to Defendant 10 which is incorrect and illegal as Defendant 1 and 2 themselves did not have possession of the said property or shed no 3 property; d) Defendant 5 and 6 acting on behalf of Defendant 4 have illegally executed a memorandum of understating for handing over possession of the said property or

shed no 3 property to Defendant 1 and 2 and e) Defendant 1 has been deliberately avoiding partition of the Joint Property

The Plaintiff has filed the case praying *inter alia* for a) a decree of partition by meets and bounds of the joint property b) a decree for declaration that the sale agreement and memorandum of understating are null void and not binding on the Plaintiff c) a decree of prohibitory injunction, restraining the Defendants, their heirs, successors, agents, assigns, etc., from alienating or creating any third-party rights in, the Joint Property.

Further the Plaintiff has also registered a First Information Report No. 68/2010 dated May 5, 2010 with the Economic Wing Offences, Delhi “**FIR**” against Defendant 1 and 2 and Defendant 5 to 7 for offences under Sections 420, 448 and 120B of the Indian Penal Code, 1860.

The case is presently pending before the High Court of Delhi at New Delhi.

#### ***Criminal Proceedings\****

1. A chargesheet dated May 5, 2014 on the complaint of Veena Monga (“**Complainant**”), now deceased has been filed by Rajesh Sha, Sub Inspector, A.K. Singh, Inspector, Vikram Singh Rana, Assistant Commissioner of Police, Economic Offence Wing, Crime Branch, Delhi before the Court of Sugandha Aggarwal, LD, CMM, (West District), Tis Hazari Court, Delhi (“**Court**”) against Ravi Monga, (“**Accused 1**”); Varun Monga, (“**Accused 2**”), Arun Jain (“**Accused 3**”), Aditya Jain, son of Arun Jain (“**Accused 4**”), Ganga Parshad Puri (“**Accused 5**”); Santosh Kumari, (“**Accused 6**”); Ajay Puri (“**Accused 7**”), Raman Puri (“**Accused 8**”). The chargesheet has been filed on the grounds *inter alia* that a) Accused 1 and 2 with an intent to cheat, sold a specific portion (the frontage i.e. shed no. 3) of the Joint Property without knowledge of all coparceners; b) Accused 1 entered into conspiracy with Accused 2 (who had no share in the Joint Property) along with Accused 3 and 4 to cheat the Complainant of her rightful share in the Joint Property; c) Accused 5 to 8 with a malafide intention purchased the said property or the shed no 1 property for a meager consideration ₹ 90 lacs which was half of the circle rate at that time as told by the Complainant and d) Accused 3 and 4 handed over possession of the said property or the shed no 1 property on April 9, 2010 while Accused 1 and 2 executed the agreement to sell on April 8, 2010 with Accused 5 to 8. As per the chargesheet, Accused 1 to 4 have been found to have committed the offence under Sections 420, 448, 471 and 120B of the Indian Penal Code, 1860.

The case is presently pending before Court of Sugandha Aggarwal, LD, CMM, (West District), Tis Hazari Court, Delhi.

#### ***Cases filed by our Directors***

##### ***Litigation involving our Director, Arun Kumar Jain***

#### ***Criminal Proceedings\****

1. A criminal miscellaneous application no. 381 of 2015 has been filed by Arun Jain (“**Petitioner 1**”) and Aditya Jain (“**Petitioner 2**”) (Petitioner 1 and Petitioner 2 hereinafter collectively referred as “**Petitioners**”) before the High Court of Delhi at New Delhi (“**Court**”) against the State, through Economic Offense Wings, Crime Branch, Delhi (“**Respondent 1**”), Palika Monga, daughter of late Veena Monga (“**Respondent 2**”) and Manu Monga, daughter of late Veena Monga (“**Respondent 3**”) praying *inter alia* for a) quashing of the FIR b) quashing the chargesheet dated May 5, 2010 and c) quashing the summons order dated August 2, 2014 passed by learned Chief Metropolitan Magistrate, West District, Tis Hazari Courts, Delhi. Petitioners have also filed a stay application in the Court under section 482 of Code of Criminal Procedure, 1973 seeking stay of proceedings related to the FIR.

The case is presently pending before the High Court of Delhi at New Delhi.

*\*This is one case pending at various forums*

#### ***D. Potential Litigation***

1. A notice dated April 6, 2015 has been issued to our Company, our Promoter and Director, and our erstwhile

Director, by our former chief executive officer, Badal Chaudhry (“**Noticee**”). The Noticee has claimed that pursuant to the employment agreement dated April 1, 2011 executed with our Company he is entitled to performance linked incentive compensation. The Noticee has further called upon Company, our Promoter and Director, and our erstwhile Director, to make payment of ₹ 40 lacs with an interest at the rate of 24% per annum within 15 days of receipt of the notice or else he will initiate legal proceeding for recovery of the amounts. As on date of this Draft Red Herring Prospectus, our Company has not replied to the said notice.

2. Our Company has entered into a lease agreement dated April 16, 2014 (“**Agreement**”) with Laxmikripa Buildcon Private Limited (“**Lessor**”) for taking on lease of Unit No. UG – 08, Upper Ground Floor, Elements Mall, Jaipur (“**Premises**”) for retailing and selling of its apparel for the period of 9 years including lock in of 1 year. Pursuant to the Agreement, our Company has agreed to pay monthly rent of 12% of net monthly sales in normal sale period or 10% of net monthly sales for first 12 months along with common area maintenance charges of ₹ 13,068 per month and subsequently to increase in monthly rent. Our Company has not paid any rent for using the Premises since the commencement of the lease on account of fewer footfalls of consumers in the Elements Mall, Jaipur as informally agreed between our Company and Lessor. Our Company may enter into litigation for non-payment of rent for the Premises; however our Company has not received any legal notice from the Lessor in this regard.

#### **E. LITIGATION INVOLVING OUR PROMOTERS**

- i. *Cases filed against our Promoters – NIL*
- ii. *Cases filed by our Promoters*

#### **F. LITIGATION INVOLVING OUR SUBSIDIARY**

- i. *Cases filed against our Subsidiary – NIL*
- ii. *Cases filed by our Subsidiary - NIL*

#### **G. LITIGATION INVOLVING OUR GROUP ENTITIES**

##### *Litigating involving IFCA Bottling Company Limited*

##### *Case filed against IFCA Bottling Company Limited*

1. An Income Tax Appeal (“**Appeal**”) has been filed by the Commissioner of Income Tax – IV (“**Appellant**”) against our IFCA Bottling Company Limited (“**Respondent**”) before the High Court of Delhi, Delhi (“**High Court**”), against the order dated September 28, 2012 (“**Impugned Order**”) passed by Income Tax Appellate Tribunal, New Delhi (“**ITAT**”). The Appellant has filed this Appeal under section 260A of the Income Tax Act, 1961 (“**I. T. Act**”) against the Impugned Order in the income tax appeal bearing number 269/DEL/2012 for assessment year 2008 – 2009.

The Respondent had entered into an agreement with Cadbury Schweppes Beverage India Private Limited (“**CSBIL**”) for bottling and marketing of its product in the state of Jammu and Kashmir (“**Agreement**”). During the existence of this Agreement CSBIL sold out its business to Hindustan Coca Cola Company Limited (“**HCCCL**”) and assigned this Agreement to HCCCL. Subsequently, holding company of HCCCL terminated this Agreement and provided one time settlement of ₹ 176 Lacs to the Respondent. However, the Income Tax Department *vide* an assessment order dated August 31, 2010 alleged that amount received by the Respondent was not only for termination of the Agreement but also for claims/counter claims, inventory and to be considered as business income. That aggrieved, the Respondent file an appeal before Commissioner of Income Tax, Appeal, New Delhi (“**CIT**”). CIT *vide* its order dated November 3, 2011 confirmed the order of the assessment order dated August 31, 2010. Further ITAT *vide* its dated September 28, 2012 allow the appeal of the Respondent and direct the assessing officer to charge the receipt as a long term capital gain.

The Appeal has been filed on the grounds, *inter alia*, that the Impugned Order of the ITAT is contrary to law and the nature of income by stating that termination of any activity in the course of business, is business income and not an income chargeable under the head of capital gain. The Appeal is currently pending before the High Court.

## ***Case filed by IFCA Bottling Company Limited***

### ***Civil proceedings***

1. OWP bearing number 1707 of 2014 (“**Petition**”) filed by IFCA Bottling Company Limited (“**Petitioner**”) against State of Jammu and Kashmir, through Secretary, Food and Supplies (“**Respondent 1**”), Municipal Committee, Kathua (“**Respondent 2**”), Food Safety Officer, Municipal Committee, Kathua (“**Respondent 3**”) and Adjudicating Officer (Additional Magistrate), Kathua (“**Respondent 4**”) before the High Court, Jammu and Kashmir (“**Court**”). The Petition has been filed challenging the order dated October 17, 2014 passed by Respondent 4 (“**Impugned Order**”). Respondent 4 *vide* the Impugned Order had *inter alia* held that the Petitioner has committed an offence of manufacturing and sale of pre-packaged food items which does not comply with Regulation 2.2.2(5)(ii) of the Food Safety and Standards (Packaging and Labelling) Regulations, 2011 as legally mandated by Section 3(ZF)(C) of the Foods Safety and Standards, Act, 2006 and thereby imposed a penalty of ₹ 2,50,000 on the Petitioner and further directed the Petitioner to take steps to conform their products with the provisions of law and report compliance of the same within 2 weeks, failing which all the operations of the Petitioner shall be stopped in the district and the pre-packaged food items under consideration shall be destroyed. The Petition has been filed *inter alia* praying that the Court issue any appropriate writ direction or an order including a writ in the nature of certiorari for quashing the Impugned Order.

The Court *vide* order dated October 31, 2014 has stayed the operation of the Impugned Order and also directed the Petitioner to deposit an amount of ₹ 2,5000 with the Court. The Petitioner has deposited the said amount in the Court and the Petition is presently pending before the Court.

2. OWP bearing number 1708 of 2014 (“**Petition**”) filed by IFCA Bottling Company Limited (“**Petitioner**”) against State of Jammu and Kashmir, through Secretary, Food and Supplies (“**Respondent 1**”), Municipal Committee, Kathua (“**Respondent 2**”), Food Safety Officer, Municipal Committee, Kathua (“**Respondent 3**”) and Adjudicating Officer (Additional Magistrate), Kathua (“**Respondent 4**”) before the High Court, Jammu and Kashmir (“**Court**”). The Petition has been filed challenging the order dated October 17, 2014 passed by Respondent 4 (“**Impugned Order**”). Respondent 4 *vide* the Impugned Order had *inter alia* held that the Petitioner has committed an offence of manufacturing and sale of pre-packaged food items which does not comply with Regulation 2.2.2(5)(ii) of the Food Safety and Standards (Packaging and Labelling) Regulations, 2011 as legally mandated by Section 3(ZF)(C) of the Foods Safety and Standards, Act, 2006 and thereby imposed a penalty of ₹ 2,50,000 on the Petitioner and further directed the Petitioner to take steps to conform their products with the provisions of law and report compliance of the same within 2 weeks, failing which all the operations of the Petitioner shall be stopped in the district and the pre-packaged food items under consideration shall be destroyed. The Petition has been filed *inter alia* praying that the Court issue any appropriate writ direction or an order including a writ in the nature of certiorari for quashing the Impugned Order.

The Court *vide* order dated October 31, 2014 has stayed the operation of the Impugned Order and also directed the Petitioner to deposit an amount of ₹ 2,5000 with the Court. The Petitioner has deposited the said amount in the Court and the Petition is presently pending before the Court.

3. OWP bearing number 1709 of 2014 (“**Petition**”) filed by IFCA Bottling Company Limited (“**Petitioner**”) against State of Jammu and Kashmir, through Secretary, Food and Supplies (“**Respondent 1**”), Municipal Committee, Kathua (“**Respondent 2**”), Food Safety Officer, Municipal Committee, Kathua (“**Respondent 3**”) and Adjudicating Officer (Additional Magistrate), Kathua (“**Respondent 4**”) before the High Court, Jammu and Kashmir (“**Court**”). The Petition has been filed challenging the order dated October 17, 2014 passed by Respondent 4 (“**Impugned Order**”). Respondent 4 *vide* the Impugned Order had *inter alia* held that the Petitioner has committed an offence of manufacturing and sale of pre-packaged food items which does not comply with Regulation 2.2.2(5)(ii) of the Food Safety and Standards (Packaging and Labelling) Regulations, 2011 as legally mandated by Section 3(ZF)(C) of the Foods Safety and Standards, Act, 2006 and thereby imposed a penalty of ₹ 2,50,000 on the Petitioner and further directed the Petitioner to take steps to conform their products with the provisions of law and report compliance of the same within 2 weeks, failing which all the operations of the Petitioner shall be stopped in the district and the pre-packaged food items under consideration shall be destroyed. The Petition has been filed *inter alia* praying that the Court issue any appropriate writ direction or an order including a writ in the nature of certiorari for quashing the Impugned Order.

The Court *vide* order dated October 31, 2014 has stayed the operation of the Impugned Order and also directed the Petitioner to deposit an amount of ₹ 2,5000 with the Court. The Petitioner has deposited the said amount in the Court and the Petition is presently pending before the Court.

### ***Tax proceedings***

1. An Appeal bearing Appeal number 424 of 2009 (“**Appeal**”) has been filed by IFCA Bottling Company Limited (“**Appellant**”) against Assistant Commissioner of Central Excise, Jammu (“**Respondent**”) before the Customs, Excise and Service Tax Appellate Tribunal, Jammu against order dated November 12, 2008 (“**Impugned Order**”) passed by Commissioner (Appeals), Central Excise, Jalandhar. The Appellant has filed this Appeal against the Impugned Order in the appeal bearing number 488/07 for assessment year 2001 – 2002.

During the relevant period Hindustan Coca Cola Beverages (P) Limited purchased the capital goods and, the raw materials, packing materials etc. and delivered the same to the Appellant for use of manufacturing of the final products without availing any cenvat credit. A show cause notice dated June 1, 2006 was for a period 2001 -2002 issued for recovery of inadmissible cenvat credit of ₹ 29,54,074 under rule 2 of the Cenvat Credit Rules, 2001/2002 by invoking provisions of extended period provided under section 11A of the Central Excise Act, 1944 (“**Act**”) and for recovery of interest under section 11AB of the Act along with penalty under rule 13 of the credit rules read with section 11AC of the Act. That aggrieved, the Appellant file an appeal before the Additional Commissioner, Central Excise Division, Jammu. Additional Commissioner *vide* its order dated July 11, 2007 dropped the show cause notice stating that no revenue loss that has been caused. The department being aggrieved by order dated July 11, 2007 filed an appeal bearing number 488/07 Commissioner (Appeals), Central Excise, Jalandhar.

The Appeal has been filed on the grounds *inter alia* that i) the impugned order has been passed contrary to facts on record and passed without proper consideration of submissions made and without considering the statutory provisions, ii) the Commissioner failed to appreciate that the Cenvat Credit Rules are beneficial provisions and department should not deny benefit to the party, iii) the capital goods were duly accounted and paid for there is no dispute regarding receipt of and utilisation of goods for production of final products by the Appellant, iv) there is no contravention of rule 3(4), 3(5) of Cenvat Credit Rules 2001/2002, v) the Commissioner (Appeals) erred in not appreciating that the ownership of Capital goods is not a criteria for availing Cenvat Credit on such capital goods.

The Appeal is currently pending before the Customs, Excise and Service Tax Appellate Tribunal, Jammu.

2. Appeal bearing number 37/ST/T/J of 2011 filed by IFCA Bottling Company Limited (“**Appellant**”) against the Deputy Commissioner Sales Tax (Appeals), Jammu (“**Respondent**”) before the Sales Tax Appellate Tribunal, Jammu for the accounting year 2003-04. The Appeal has been filed challenging the order dated January 19, 2011 bearing number 09/DCJ/AP/ST/98-99 (“**Impugned Order**”) passed by the Respondent. *Vide* the Impugned Order the Respondent had confirmed the demand raised by the assessing officer on March 29, 2006 for levying tax at 4% plus surcharge at 5% on the amount of conversion charges under its agreement with Hindustan Coca Cola Beverages (P) Limited (“**HCCB**”). The Appeal has been filed on the grounds *inter alia* that (i) the Impugned Order is contradictory and bad in law (ii) the Impugned Order is passed without considering the fact that that the Appellant is engaged in preparation/production of various non-alcoholic beverages on behalf of HCCB and HCCB was providing all the raw material for the same (iii) the Impugned Order is passed without considering the fact that conversion charges as charged and received by the Appellant broadly constitute the cost of labour which is not a subject matter of sales tax under the provisions of Jammu and Kashmir General Sales Tax, Act, 1962.

The Appeal has been filed praying that the sales tax demand as confirmed by the Impugned Order be dropped and the Appellant has also filed a stay application praying that the demand be stayed until the disposal of the Appeal. The Appeal is presently pending before the Sales Tax Appellate Tribunal, Jammu.

3. Appeal bearing number 163/DCJ/AP/VAT/2012-13 (“**Appeal**”) filed by IFCA Bottling Company Limited (“**Appellant**”) against Commercial Tax Officer, Jammu (“**Respondent**”) for the assessment year 2005-06 before the Appellate Authority under Section 72 of the Jammu and Kashmir Value Added Tax Act, 2005. The Appeal has been filed challenging the order dated February 29, 2012 (“**Respondent**”) passed by the Respondent wherein the Respondent held that the services rendered by the dealer amounting to ₹ 20.86 lacs

are eligible to tax and stand recoverable from the Appellant and further held that an amount of ₹29.87 lacs as interest is recoverable from the Appellant. The Appeal has been filed *inter alia* on the grounds that (i) the Impugned Order is contrary to the law (ii) the Impugned Order has been filed without considering the fact that Appellant is engaged in preparation /production of various non-alcoholic beverages on behalf of Hindustan Coca Cola Beverages (P) Limited (“HCCB”) and HCCB was providing all the raw material and packaging material (iii) the Impugned Order is passed without considering the fact that conversion charges as charged and received by the Appellant broadly constitute the cost of labour which is not a subject matter of sales tax under the provisions of Jammu and Kashmir General Sales Tax, Act, 1962.

The Appeal has been filed praying that the sales tax demand as confirmed by the Impugned Order be dropped and the Appellant has also filed a stay application praying that the demand be stayed until the disposal of the Appeal. The Appeal is presently pending before the Appellate Authority.

#### H. PENALTIES IMPOSED IN PAST CASES FOR THE LAST FIVE YEARS

- i. *For details of penalties imposed on our Company with respect to contributions made towards ESIC and PPF, please refer to the section titled “Delays with Regulatory Authorities” mentioned below.*
- ii. ***Our Directors and Promoters – NIL***
- iii. ***Our Subsidiary - NIL***
- iv. ***Our Group Entities – NIL***

#### I. PAST CASES WHERE PENALTIES WERE IMPOSED

Except as provided below, there are no past cases where penalties were imposed on our Company by concerned authorities/courts.

A complaint number NW/W&M/170 dated December 22, 2014 was filed by Weights & Measurement Department, Delhi (“**Complainant**”) against our Company before the Court of Metropolitan Magistrate Evening Court No. 5, Karkardooma, Delhi (“**Court**”) under Section 13(3)(b) and Section 32(2) of the Legal Metrology Act, 2009 (“**Act**”) and Legal Metrology (Packaged commodities) Rules 2011 (“**Rules**”) for violation of the Rules. The Complaint alleged that during inspection the packed jeans were not bearing the correct information in respect of the size of the jeans as per the Rules. The Complainant issued two notices dated June 18, 2014 and September 4, 2014 to our Company for compounding the offence at the Department level for a compounding fee of ₹ 2,000 per partner under the Act. Our Company has paid the penalty of ₹ 10,000 on April 7, 2015 before the Court.

#### Delays with Regulatory Authorities

Our Company has delayed in complying with certain RoC filings since incorporation till the date of filing of the Draft Red Herring Prospectus. The following table depicts the details of such delay:

Particulars	Due date of filing with MCA/RoC	Actual Filing date
Form 23AC and Form 23ACA for filing Balance Sheet, other documents and Profit & Loss account of the Company pursuant to Section 220 of the Companies Act, 1956 for the year ended March 31, 2013 as the AGM of the Company was conducted on September 20, 2013.	October 19, 2013	November 1, 2013
Form 23AC and Form 23ACA for filing Balance Sheet, other documents and Profit & Loss account of the Company pursuant to Section 220 of the Companies Act, 1956 for the year ended March 31, 2010 as the AGM of the Company was conducted on July 3, 2010.	August 2, 2010	September 21, 2010

Our Company has delayed in complying with certain RBI filings in relation to the funds received from outside India, since incorporation till the date of filing of the Draft Red Herring Prospectus. The following table depicts the details of such delay:



Financial Year	Due date of filing with RBI	Actual Filing date
Annual return on Foreign Liabilities and Assets under the provisions of Master Circular on Foreign Investment in India dated July 1, 2014 issued by RBI and Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 for the year 2013	July 15, 2013	August 6, 2013
Annual return on Foreign Liabilities and Assets under the provisions of Master Circular on Foreign Investment in India dated July 1, 2014 issued by RBI and Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 for the year 2012	July 15, 2012	September 28, 2012
Annual return on Foreign Liabilities and Assets under the provisions of Master Circular on Foreign Investment in India dated July 1, 2014 issued by RBI and Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 for the year 2011	July 15, 2011	September 30, 2011

Our Company has delayed in payment of contribution towards ESIC and PPF for which our Company had to pay penalty/damages towards such late payment. The following table depicts the details of such delays:

#### ESIC

Location	Period	Interest(Amount in ₹)	Penalty / Damages(Amount in ₹)	Reason
Gurgaon	April 2003 to September 2008	516	-	Interest on delayed payments
	April 2006 to March 2010 & September 2009	2,630	-	Interest on delayed payments
Selaqui	April 2009 to November 2013	-	200	Damage for delay payment
	April 2009 to November 2013	464	-	Interest on delay payment

#### PPF

Location	Period	Interest(Amount in ₹)	Penalty(Amount in ₹)	Reason
Selaqui	October 2010 to August 2012	11,856	27,856	Interest/ Damage for delay payment

#### J. AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND/OR OTHER CREDITORS

As of the date of this Draft Red Herring Prospectus our Company does not owe any amount to any micro, small and medium enterprises or other creditors which has been outstanding for more than 30 days except in the ordinary course of business. For further details, refer to the section titled “Financial Statements” on page 180 of this Draft Red Herring prospectus.

#### K. MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET DATE

Except as disclosed in the chapter “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on page 304 of this Draft Red Herring Prospectus, in the opinion of our Board, there have not arisen, since March 31 2015, any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

#### L. PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act 2013 or any previous company law in the last five years immediately preceding the year of issue of the Draft

Red Herring Prospectus in the case of Company, Promoters, Directors and all of its Subsidiaries. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Draft Red Herring Prospectus.

Further, there is no legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the promoters during the last five years immediately preceding the year of the issue of the Draft Red Herring Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

**M. OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of this Draft Red Herring Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have an adverse effect on our Company.

**N. MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the date of this Draft Red Herring Prospectus.

## **GOVERNMENT AND OTHER APPROVALS**

*We are required to obtain consents, licenses, registrations, permissions and approvals for carrying out our present business activities. Our Company has obtained necessary consents, licenses, registrations, permissions and approvals from the governmental and regulatory authorities that are required for carrying on our present business. In the event, that any of the approvals and licenses that are required for our business operations expires in the ordinary course of business, we apply for their renewal from time to time. The object clause and objects incidental to the main objects of the Memorandum of Association enable our Company to undertake its existing activities.*

### **APPROVALS FOR THE ISSUE**

#### ***Approvals of our Company and the Selling Shareholders***

The Board of our Company has, pursuant to resolutions passed at its meeting held on February 03, 2015 authorised the Issue, subject to approval by the shareholders of our Company under section 62(1)(c) of the Companies Act, 2013.

The shareholders of our Company have, pursuant to a resolution dated February 13, 2015 under section 62(1)(c) of the Companies Act, 2013, authorised the Issue.

AADC pursuant to the resolution of its board of directors dated April 28, 2015 have authorized the sale of up to 68,00,000 Equity Shares as part of the Offer for Sale in this Issue.

Mr. Narinder Singh Dhingra has consented to participate in the Offer for Sale and to offer up to 16,00,000 Equity Shares vide his letter dated April 27, 2015.

Further, our Board of Directors have taken on record the approval of the Offer for Sale by the Selling Shareholders and has approved this Draft Red Herring Prospectus pursuant to its resolution dated April 29, 2015.

#### ***Approvals from Stock Exchanges***

Our Company has received an in-principle approval from the NSE dated [●] for listing of Equity Shares issued pursuant to the Issue.

Our Company has received an in-principle approval from the BSE dated [●] for listing of Equity Shares issued pursuant to the Issue.

### **MATERIAL APPROVALS IN RELATION TO THE BUSINESS OF OUR COMPANY**

#### ***I. General Approvals***

1. Certificate of Incorporation dated December 14, 2006 under the Companies Act, 1956 issued by Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana.
2. Certificate for Commencement of Business dated March 23, 2007 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana.
3. Our Company's Permanent Account Number dated December 14, 2006 issued by the Income Tax Department is AACCN4869R.
4. Our Company's Service Tax Registration Number is AACCN4869RST002 dated November 06, 2008 issued by the Central Excise Officer under the Finance Act, 1994.
5. Our Company's Tax Identification Number is 06441920119 issued with effect from April 01, 2007, by the Assessing Authority under Haryana VAT Act, 2003.
6. Our Company's Tax Deduction Account Number is RTKN02486B dated March 30, 2009 issued by the Income Tax Department under the Income Tax Act, 1961.

7. Certificate of Importer-Exporter Code bearing IEC number 0593007433 dated January 12, 2012 issued by Foreign Trade Development Officer.

## ***II. Licenses pertaining to our manufacturing facilities***

### ***Gurgaon Facility***

1. Central Excise Registration Certificate bearing number AACCN4869REM001 dated March 02, 2011 issued by Deputy Commissioner of Central Excise, Gurgaon, valid until surrendered, revoked or suspended.
2. Factory License bearing number GGN/H-191/9765 issued on March 15, 2013 by Chief Inspector of Factories, Haryana valid from March 15, 2013 to December 31, 2017.
3. Employee State Insurance Corporation Registration Certificate bearing number 13/23921/99 dated February 15, 1997 issued by Regional Director.
4. Employee Provident Fund Registration Certificate modified vide letter dated March 23, 1999 in the name of Hi-Fashion Clothing Company whereby the code no. was changed from DL/6684 to FD/9996 issued by Assistant Provident Fund Commissioner.
5. Certificate of grant of consent bearing no. 19570815GUNOCTOHWM1573594 dated March 14, 2015 for emission of Air under Air (Prevention & Control of Pollution) Act, 1981 valid from April 1, 2015 to March 31, 2016, issued by Senior Environmental Engineer II, HQ, Haryana State Pollution Control Board, Panchkula.
6. Grant of consent bearing no. 19570815GUNOCTOHWM1573594 dated March 14, 2015 to operate for discharge of effluent under Water (Prevention and Control of Pollution) Act, 1974 valid from April 1, 2015 to March 31, 2016, issued by Senior Environment Engineer II, HQ, Haryana State Pollution Control Board, Panchkula.
7. Certificate of Authorization bearing no. 19570815GUNOCTOHWM1573594 dated March 14, 2015 for operating a facility for collection, reception, treatment, storage, transportation and disposal of hazardous wastes under the Environment (Protection) Act, 1986 valid from April 1, 2015 to March 31, 2016, issued by Senior Environmental Engineer II, Haryana State Pollution Control Board, Panchkula.
8. Fire No Objection Certificate dated October 02, 2014 bearing reference no. FS 2014/1805/2214 issued by Senior Fire Brigade Officer, Gurgaon valid for a period of 1 year from October 02, 2014 to October 01, 2015.
9. Certificate of use of Boiler bearing certificate number 2006 and Boiler number HA-1615 dated September 15, 2014 valid for a period from September 12, 2014 to September 11, 2015 issued by Chief Inspector of Boilers, Chandigarh, Haryana.
10. Certificate of use of Boiler bearing certificate number 2394 and Boiler no. HA-858 dated April 13, 2015 valid for a period from April 9, 2015 to April 8, 2016 issued by Chief Inspector of Boilers, Chandigarh, Haryana.

### ***Selaqui, Dehradun Facility***

1. Factory License bearing number D.D. N-596 issued on January 1, 2015 by Chief Inspector of Factories, Dehradun valid from January 1, 2015 to December 31, 2015.
2. Fire No Objection Certificate dated April 11, 2015 bearing reference no. 20/(116)/15-16 issued by Chief Fire Brigade Officer, Dehradun valid from April 24, 2015 to April 23, 2016.
3. Employee State Insurance Corporation Registration letter bearing number 61-SQ-4146-19 dated January 29, 2008 issued by Assistant Director.

4. Labour Registration License bearing number 179/DCL/06 in the name of Numero Uno Clothing Limited dated October 05, 2006 issued by Regional Deputy Labour Commissioner, Dehradun.
5. Certificate of Registration dated July 17, 2007 bearing Service Tax Code AACCN4869RST001 under Section 69 of the Finance Act, 1994, issued by the Superintendent (Service Tax) Customs & Central Excise Dehradun. Service Tax allotment letter bearing number AACCN4869RST001 issued on July 27, 2007 by Assistant Commissioner Central Excise Division, Dehradun.
6. Letter dated October 18, 2012 issued by Regional Provident Fund Commissioner, Dehradun intimating our Company about change of name in their records from Hi-Fashion Clothing Company to Numero Uno Clothing Limited.
7. Acknowledgement Certificate bearing Form number 00125 and EM number 050052101464 dated September 16, 2013 issued by the General Manager, District Industries Centre, Dehradun in the category of small enterprise for conducting manufacturing, valid until September 15, 2015.
8. Environmental clearance granted for introduction of process of washing of fabric vide letter bearing number 83-EC-9(4) 2013 dated August 04, 2013 issued by Member Secretary, State Level Environment Impact Assessment Authority, Uttarakhand.
9. Certificate sanctioning power usage up to 350 KVA, dated November 05, 2008 bearing letter number 4930 issued by Executive Engineer, Electricity Distribution Division (Rural).
10. Certificate of Registration bearing number CSTDD-5161879 certifying change of name of Company from Hi-Fashion Clothing Company to Numero Uno Clothing Limited under Central Sales Tax (Registration and Turnover) Rules 1957, with effect from April 01, 2007 issued by Assistant Commissioner Commercial Tax, Dehradun. The Commercial Tax Department, Uttarakhand has issued a TIN bearing No. 05005175266 having CST No. VN5161879 and Registration No. VN0274835 in the name of our Company. The date of registration is April 1, 2004 and such registration is perpetual.

### **III. Licenses pertaining to our Okhla and Manesar Facility**

#### ***Okhla, Delhi Unit***

1. Factory License Certificate bearing number SFL0411012806 dated April 13, 2015 issued by Factory Licensing Department, New Delhi valid upto March 31, 2016.
2. Registration Certificate dated November 10, 2003 bearing TIN No. and Sales Tax No. as LC/089/07230139686/0989 under Delhi Sales Tax, 1975 issued under Delhi Sales Tax Rules, 1975.

#### ***Manesar, Haryana Facility***

For further details please refer to the paragraph titled “*Licenses for which application has been made and are pending approval as on date of this Draft Red Herring Prospectus*” on page 353 below in this chapter.

### **IV. Licenses pertaining to our COCO Stores**

<b>Sr. No.</b>	<b>Location of Store</b>	<b>Registration for Value Added Tax/Central Sales Tax</b>	<b>Registration under State Shops and Establishment / Local body tax</b>
1.	Haryana	Registration Certificate dated April 01, 2003 bearing TIN number 06441920119 issued to Hi-Fashion Clothing Company and subsequently revalidated in the name of Numero Uno Clothing Limited with effect from April 01, 2007 under Haryana Value Added Tax Act, 2003.	<p><b><u>Ambala</u></b></p> <ol style="list-style-type: none"> <li>1. Trade licence certificate bearing no. 11 dated April 21, 2015 in relation to COCO store situated at 1349/5/8, Jain Nagar, Ambala, Haryana. Valid from 2015 to 2016.</li> <li>2. Trade Licence certificate bearing no. 10 dated April 21, 2015 in relation to COCO store at Railway Road, Ambala</li> </ol>

Sr. No.	Location of Store	Registration for Value Added Tax/Central Sales Tax	Registration under State Shops and Establishment / Local body tax
			Cantt, Haryana. Valid from 2015 to 2016.  <b><u>Gurgaon*</u></b>
2.	Uttarakhand	Certificate of Registration bearing number CSTDD-5161879 certifying change of name of Company from Hi-Fashion Clothing Company to Numero Uno Clothing Limited with effect from April 01, 2007 issued by the Assistant Commissioner Commercial Tax, Dehradun. The Commercial Tax Department, Uttarakhand has issued a TIN bearing No. 05005175266 having CST No. VN5161879 and registration no. VN0274835 in the name of our Company. The date of registration is April 1, 2004 and such registration is perpetual.	<b><u>Haridwar</u></b>  License issued by Office District Panchayat, Haridwar dated February 2, 2015 bearing receipt No. 14956 for Pentagon Mall, Haridwar.  <b><u>Dehradun*</u></b>
3.	Madhya Pradesh	Registration Certificate dated April 28, 2014 bearing TIN 23779110740 under Commercial Tax Department, Government of Madhya Pradesh, valid until cancelled.	<b><u>Ratlam</u></b>  Registration Certificate of Establishment dated March 24, 2014 bearing registration mark and number 0/25573 27557/RTM/S/2014 valid upto December 31, 2018 issued by Inspector, Shop & Establishment under MP Shop & Establishment Act, 1958.
4.	Rajasthan	Registration Certificate dated January 28, 2014 bearing registration number TIN 08841615868 issued by Commercial Tax Officer, Divisional Kar Bhawan, Jhalana-Jaipur, valid until cancelled.	Not Applicable
5.	Gujarat	Certificate of Registration dated January 16, 2014 bearing registration number 24091602071 issued under the Gujarat Value Added Tax Act, 2003 valid from December 31, 2013 to cancellation.	<b><u>Rajkot</u></b>  Registration Certificate dated July 03, 2014 bearing registration number 6579 issued by Rajkot Municipal Corporation, Rajkot, under Shops and Organisation Act, 1948, Bombay valid upto 2018.
6.	Punjab	Certificate of Registration dated August 26, 2014 bearing TIN 03412155507 under the Central Sales Tax (Registration & Turnover) Rules, 1957 issued by the Excise and Taxation Officer cum Designated Officer, Ludhiana-3, valid until cancelled.	<b><u>Ludhiana</u></b>  i. License certificate no. 26 dated April 9, 2015 in relation to the COCO situated at 108, first floor, Old Session Court Road near fountain chowk under the name and style of Pavilion Mall, Ludhiana, Punjab issued by Ludhiana Municipal Corporation. Valid from 2015 to 2016.  License Certificate no. 24 dated April 9, 2015 in relation to the COCO situated at "Miles" on Amritsar-Delhi GT road, Km stone 242.6, NH-1, village Patarsi,

Sr. No.	Location of Store	Registration for Value Added Tax/Central Sales Tax	Registration under State Shops and Establishment / Local body tax
			<p>District Fatehgarh Sahib, Punjab issued by Ludhiana Municipal Corporation. Valid from 2015 to 2016.</p> <p>License Certificate no. 25 dated April 9, 2015 in relation to the COCO store situated at 96K-14M or 12.085 acres situated in village Heeran, Chandigarh road, Ludhiana, Punjab issued by Ludhiana Municipal Corporation. Valid from 2015 to 2016.</p>
7.	West Bengal	Certificate bearing TIN/VAT 19741012328 under West Bengal Value Added Tax Act, 2003 issued on April 17, 2014.	<p><b><u>Asansol*</u></b></p> <p>i. Registration certificate bearing number BDN/ASN/ASN/P-1/34779 dated October 29, 2014 for the shop at 531(N) Santadangal, Galaxy Mall, Burnpur issued by the Regional Supervising Inspector, Shop and Establishment, Government of West Bengal, Asansol valid until October 28, 2017.</p> <p>ii. License dated April 27, 2015 bearing ward number 47 and borough number 05 for shop at 531/N, Snta Dangak, Galaxy Mall, Shop No. 104, Opposite Chitra Cinema, Burnpur issued by the Secretary, Asansol Municipal Corporation, valid until March 31, 2016.</p> <p><b><u>Durgapur*</u></b></p> <p>1. Certificate of enlistment bearing number CE. ID. No. 201341724 – C.E.No: 26827/2015-2016/RENEW dated April 28, 2015 for shop no 129, First Floor, Junction Mall, City Centre, Durgapur issued by the Durgapur, Municipal Corporation, Secretary, Licensing Inspector valid until March 31, 2016.</p>
8.	Maharashtra	Certificate of TIN allotment number dated May 18, 2007 bearing VAT TIN 27490608693V with effect from May 10, 2007 issued by Sales Tax Officer under Maharashtra Value Added Tax Act, 2002.	<p><b><u>Nashik</u></b></p> <p>i. Certificate of Registration of establishment dated January 23, 2014 bearing registration number Part-I/277/2014 issued by Inspector, Mumbai Shops and Establishment Act, 1948 and Inspector, Class-2 &amp; Minimum Wages Inspector, valid until October 17, 2017.</p> <p>ii. Certificate of Registration dated December 03, 2014 bearing LBR registration number NSK605850 issued by Deputy Commissioner (LBT) Nashik Municipal Corporation for Shop number MFS 17(B), First Floor, Nashik City Centre Mall, Lawate Nagar, Nashik</p>

Sr. No.	Location of Store	Registration for Value Added Tax/Central Sales Tax	Registration under State Shops and Establishment / Local body tax
			<p>422002 with effect from May 22, 2013</p> <p><b><u>Pune</u></b></p> <p>i. Certificate of Registration dated January 23, 2014 bearing registration number Hadapsar/II/27944 issued by Inspector, Mumbai Shops &amp; Establishment Act, 1948, Additional Labour Commissioner, Nagpur valid for a period from 2014 to 2016 for the store situated at shop number G-28, Season Mall, Magar Patta City, Hadapsar Pune 411 028.</p> <p>ii. Certificate of Registration for Local Body Tax dated January 22, 2014 bearing number PMC-LBT-054-0079715 issued by Joint Commissioner Local Body Tax, Pune Municipal Corporation.</p> <p><b><u>Nagpur</u></b></p> <p>Certificate of Registration of establishment dated April 02, 2014 bearing registration number I-6-5087 issued by the Inspector, Mumbai Shops &amp; Establishment Act, 1948, Additional Labour Commissioner, Nagpur valid from September 26, 2015 to September 25, 2016 in relation to store situated at Shop number 143, 1<sup>st</sup> floor, Empress Mall, Gandhinagar, Nagpur.</p> <p><b><u>Mumbai</u></b></p> <p>Registration Certificate of Establishment for Phoenix Market City Mall, Kurla (W), Mumbai dated September 26, 2014 bearing Registration number 760411436 issued by Inspector, Maharashtra Shops and Establishments Act, 1948 valid until December 16, 2015.</p>
9.	Uttar Pradesh	Certificate of Registration and allotment of TIN dated June 22, 2012 bearing TIN 09265703428C issued by Registering Authority, Department of Commercial Taxes, Government of Uttar Pradesh, valid from January 04, 2007 until the business is discontinued.	<p><b><u>Agra</u></b></p> <p>Labour Commissioner Organization, Uttar Pradesh under The Uttar Pradesh Shops and Commercial Establishments Act, 1962 issued Registration Certificate of Establishment for Suresh Mall (Plaza), Civil Line, Agra dated April 4, 2014 bearing Registration number UPS230110000723 valid upto March 31, 2019.</p>

\* Please see the section titled "Licenses for which application has been made and are pending approval as on date of this Draft Red Herring Prospectus" below

#### V. EPCG LICENSES

Licence number	0530148593/2/11/00	0530162808/2/12/00
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<b>Licence number</b>	0530148593/2/11/00	0530162808/2/12/00
<b>Name of Material</b>	<ul style="list-style-type: none"> <li>▪ LAS-MT2-MT2501-V5 GFK</li> <li>▪ MMD-MMD-JMCO2 MANIQUI</li> </ul>	G2 OZONE PROCESSING MACHINE WITH BG50 OZONE GENERATOR ES50 CONTROL DESK, TAE EVO M10 CHILLER
<b>Issue Date</b>	March 17, 2009	May 27, 2014
<b>Duty Saved (₹ in lacs)</b>	17.73	28.74
<b>Export Obligation (₹ in lacs)</b>	17.73	28.74
<b>Export Obligation Completed</b>	NIL	NIL
<b>Balance export obligation to be completed (₹ in lacs)</b>	17.73	28.74
<b>Period up to which export obligation to be completed</b>	March 16, 2017	May 26, 2020

**VI. Licenses for which application has been made and are pending approval as on date of this Draft Red Herring Prospectus**

Certain consents, licenses, registrations, permissions and approvals that are required to be obtained by our Company for undertaking its business have elapsed in their normal course and our Company has either made an application to the relevant government authorities for renewal of such consents, licenses, registrations, permissions and approvals or is in the process of making such applications, which include:

1. Application Number 201501143813 dated January 14, 2015 to the Municipal Corporation, Gurgaon for renewal of Fire No Objection Certificate bearing for Manesar unit, Haryana
2. Application dated January 19, 2015 to the Labour Department Haryana for registration and renewal of license under Factories Act, 1948 in relation to the Manesar unit, Haryana
3. Our application dated February 19, 2015 for trade license in relation to COCO store at Shahdara, Delhi has been accepted vide approval letter dated April 15, 2015 issued by Municipal Corporation of Delhi and we await the copy of the trade license.
4. Application dated January 23, 2015 to the Pollution Control Board, Uttarakhand for renewal of consolidated consent approval for the Selaqui, Dehradun unit, Uttarakhand.

**VII. Approvals for which applications are yet to be made\***

Certain consents, licenses, registrations, permissions and approvals may have elapsed in their normal course and our Company undertakes to obtain all consents, approvals, licenses, registrations and permissions required to operate its business. Some of the material consents, licenses, registrations, permission and approvals that have elapsed for which applications are yet to be made by our Company include:


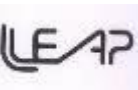
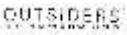

1. Certificate of Registration under Punjab Shops and Establishment Act, 1958 for our COCO store situated at F-41 2nd level of "The North Country Mall", National Highway 21, Mohali Kharar road, Mohali, SAS Nagar, Punjab, India.
2. Certificate of Registration under The Uttar Pradesh Shops and Commercial Establishments Act, 1962 for our COCO store situated at Shop no. 6, ground floor, Opulent Mall, East Model Town, G.T Road, Ghaziabad, Uttar Pradesh.
3. Consent from the state pollution board for Okhla unit, New Delhi.
4. No objection certificate from the fire department, Okhla unit, New Delhi
5. License for Shop/Occupation dated January 28, 2015 bearing Serial No. 3032 for shop situated at FF-28, first floor, Pacific Mall, Village Mauza Jakhan, Rajpura Road, Dehradun, Uttarakhand issued by License Officer, District Panchayat, Dehradun which has expired on March 31, 2015.

6. Certificate of enlistment issued for Galaxy Mall dated July 23, 2014 bearing serial number 57738 issued by Durgapur Municipal Corporation, under trade group shops and establishment which has expired on March 31, 2015.
7. Certificate of Enlistment bearing C/E No. 8189 dated February 18, 2015 for holding no 32(Avani river side mall, Shop-19 & 20, 1st Floor) issued by the Howrah Municipal Corporation which has expired on March 31, 2015.
8. License dated January 19, 2015 bearing ward number 22 and CE.ID No. 2013141724 for the year 2014 to 2015 issued by Durgapur Municipal Corporation which has expired on March 31, 2015.
9. Certificate of Registration under Punjab Shops and Commercial Establishments Act, 1958 for registration of the shop at UG – 054, ground Floor, (Deck Level), Sector 28, Mehrauli – Gurgoan Road, Village Sirhaul, Tehsil & District Gurgaon.

### VIII. Intellectual Property

We have six registered trademarks in the name of our Company in India and applications to register 37 trademarks are pending.

The following are the details of registered Trademarks in the name of our Company:


Sr. No.	Trade Mark	Date of Registration /renewal	Class	Description of Property/nature of goods	Trade Mark Registration No.	Validity	Issuing Authority
1.		January 31, 2013	25	Clothing, Footwear, Headgear	1962457	May 7, 2020	Trade Mark Registry
2.	Numero Uno Espana	March 17, 2011	25	Clothing, Footwear, Headgear	1778089	January 27, 2019	Trade Mark Registry
3.	* 	June 26, 2006	25	Clothing, Footwear, Headgear	1464539	June 27, 2016	Trade Mark Registry
4.	* 	March 21, 2010	18	Leather belts, leather bags, leather garments, travelling bags, canvas bags, leather and imitation of leather and articles made of these materials, umbrellas, hides, parasols and walking sticks, whips, harness and saddlery	911312	March 21, 2020	Trade Mark Registry
5.	* 	March 21, 2010	18	Leather belts, leather bags, leather garments, travelling bags, canvas bags, leather and imitation of	911313	March 21, 2020	



Sr. No.	Trade Mark	Date of Registration /renewal	Class	Description of Property/nature of goods	Trade Mark Registration No.	Validity	Issuing Authority
6.	*Uno donna	December 05, 2010	25	leather and articles made of these materials, umbrellas, hides, parasols and walking sticks, whips, harness and saddlery Readymade garments, knitwear, hosiery, undergarments, socks, neckties, including footwear	975133	May 12, 2020	






*\* Through a Deed of Assignment dated March 12, 2008 entered between Narinder Singh Dhingra (“Assignor”) and our Company (“Assignee”) our Company has acquired the all rights, title, benefits, interest in four registered trademarks and three pending applications for trademarks. Through the Deed of Assignment our Company is using the Assignor’s registered trademarks in our Company’s name.*




**The following are the details of applications made by our Company for registration of trademarks which are pending:**







Sr. No.	Form	Particulars of trademark	Application number and date	Class	Nature of goods	User since	Opposition
1.	Form TM – 99	NU BLUE	1614650 October 24, 2007	(a)18 (b)25	(a) Leather belts, leather bags, leather garments, travelling bags, canvas bags, leather and imitation of leather and articles made of these materials, umbrellas, hides, parasols and walking sticks, whips, harness and saddlery all being goods (b) Clothing, Footwear, Headgear	Proposed to be used	-
2.	Form TM – 1	NU JNS (with device)	1461105 June 07, 2006	25	Clothing, Headgear	Footwear, Proposed to be used	-
3.	Form TM – 6	3 SIXTY	1630386 December 12, 2007	25	Clothing, Headgear	Footwear, Proposed to be used	Opposed by Fronsac TM S.A on March 31, 2010

Sr. No.	Form	Particulars of trademark	Application number and date	Class	Nature of goods	User since	Opposition
4.	Form TM - 1 and TM-6		1778090 January 27, 2009	25	Clothing, Headgear, Footwear,	Proposed to be used	Opposition by M/s Hind Textiles on July 26, 2013
5.	Form TM – 51, TM-48, TM-5 and TM-6	< sapna	2028345 September 24, 2010	a) 3 b)18 and c) 25	a) Deodorants, shaving creams. Cosmetic, hair lotions, shampoos, soaps, essential oil, henna, dyes, perflimerv, dentifrices & toiletries etc. b) Leather belts, leather bags, leather garments, travelling bags, canvas bags, umbrellas, hides, walking sticks, parasols, whips, harness. Saddlery etc. c) Readymade garments, headgear & footwear.	January 01, 2009	Opposed by M/s S & S Inc. on October 07, 2013
6.	Form TM – 51	<	2028346 September 24, 2010	a) 3 b)18 and c) 25	a) Deodorants, shaving creams. Cosmetic, hair lotions, shampoos, soaps, essential oil, henna, dyes, perflimerv, dentifrices & toiletries etc. b) Leather belts, leather bags, leather garments, traveling bags, canvas bags, umbrellas, hides, walking sticks, parasols, whips, harness. Saddlery etc. c) Readymade garments, headgear & footwear.	January 01, 2009	-
7.	Form	I AM NUMERO	2189664	a) 3	a) Deodorants,	April 01,	-








Sr. No.	Form	Particulars of trademark	Application number and date	Class	Nature of goods	User since	Opposition
	TM – 51	UNO	August 11, 2011	b) 9 c) 14 d)18 and e) 25	shaving creams. Cosmetic, hair lotions, shampoos, soaps, essential oil, henna, dyes, perflimerv, dentifrices & toiletries etc. b) Optical apparatus and instruments including sunglasses, specs & eyewear. c) Watches d) Leather Goods And Bags e) Clothing, Footwear, Headgear	2011	
8.	Form TM – 51		2319260 April 20, 2012	a) 3 b) 9 c) 14 d)18 and e) 25	a) Deodorants, shaving creams. Cosmetic, hair lotions, shampoos, soaps, essential oil, henna, dyes, perflimerv, dentifrices & toiletries etc. b) Optical apparatus and instruments including sunglasses, specs & eyewear. c) Watches d) Leather Goods And Bags e) Clothing, Footwear, Headgear	April 01, 2012	-
9.	Form TM – 51		2392161 September 07, 2012	a) 3 b) 9 c) 14 d)18 and e) 25	a) Deodorants, shaving creams. Cosmetic, hair lotions, shampoos, soaps, essential oil, henna, dyes, perflimerv, dentifrices & toiletries etc. b) Optical apparatus and instruments	March 01, 2008	-



Sr. No.	Form	Particulars of trademark	Application number and date	Class	Nature of goods	User since	Opposition
					including sunglasses, specs & eyewear. c) Watches d) Leather Goods And Bags e) Clothing, Footwear, Headgear		
10.	Form TM – 1		2429206 November 19, 2012	35	Retail store services in the field of clothing and clothing accessories, retail shop window display, presentation of goods on communication media for retail purposes, advertising, business management, business administration, office functions included in class 35.	April 01, 2012	-
11.	Form TM – 1		2429207 November 19, 2012	25	Clothing, Footwear, Headgear	April 1, 2012	-
12.	Form TM – 1		2429208 November 19, 2012	24	Engaged in manufacture and distribution of apparels and garments	April 1, 2012	-
13.	Form TM – 1		2429209 November 19, 2012	18	Leather goods and bags	April 1, 2012	-
14.	Form TM – 1		2429210 November 19, 2012	16	Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); playing cards; printers' type; printing blocks	April 1, 2012	-

Sr. No.	Form	Particulars of trademark	Application number and date	Class	Nature of goods	User since	Opposition
15.	Form TM – 1		2429211 November 19, 2012	14	Watches	April 1, 2012	-
16.	Form TM – 1		2429212 November 19, 2012	9	Optical apparatus and instruments including sunglasses, specs & eyewear.	April 1, 2012	-
17.	Form TM – 1		2429213 November 19, 2012	3	Deodorants, shaving creams, cosmetic, hair lotions, shampoos, soaps, essential oil, henna, dyes, perfumery, dentifrices & toilets etc.	April 1, 2012	-
18.	Form TM – 1	<b>DENIM TATTOO</b>	2548041 June 13, 2013	3	Bleaching preparations and other substances for laundry use; cleaning; polishing; scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions, dentifrices	May 1, 2013	-
19.	Form TM – 1	<b>DENIM TATTOO</b>	2548042 June 13, 2013	9	Scientific, nautical, surveying, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), lifesaving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire extinguishing apparatus	May 1, 2013	-
20.	Form TM – 1	<b>DENIM TATTOO</b>	2548043 June 13, 2013	14	Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and other chronometric instruments	May 1, 2013	-
21.	Form TM – 1	<b>DENIM TATTOO</b>	2548044 June 13, 2013	18	Leather and imitations of leather, and goods made of these materials and not included in other classes;	May 1, 2013	-

Sr. No.	Form	Particulars of trademark	Application number and date	Class	Nature of goods	User since	Opposition
					animal skins, hides, trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddler		
22.	Form TM – 1	<b>DENIM TATTOO</b>	2548045 June 13, 2013	25	Clothing, Footwear, Headgear	May 1, 2013	-
23.	Form TM – 1		2699367 March 14, 2014	3	Deodorants, shaving creams, cosmetic, hair lotions, shampoos, soaps, essential oil, henna, dyes, perfumery, dentifrices & toilets etc.	April 1, 2007	-
24.	Form TM – 1		2699368 March 14, 2014	3	Deodorants, shaving creams, cosmetic, hair lotions, shampoos, soaps, essential oil, henna, dyes, perfumery, dentifrices & toilets etc.	April 1, 2007	-
25.	Form TM – 1		2699369 March 14, 2014	18	Leather belts, leather bags, leather garments, travelling bags, canvas bags, leather and imitation of leather and articles made of these materials, umbrellas, hides, parasols and walking sticks, whips, harness and saddlery all being goods	April 1, 2007	-
26.	Form TM – 1		2699370 March 14, 2014	25	Clothing, Footwear, Headgear	April 1, 2007	-
27.	Form TM – 1		2699371 March 14, 2014	3	Deodorants, shaving creams, cosmetic, hair lotions, shampoos, soaps, essential oil, henna, dyes, perfumery, dentifrices & toilets etc.	April 1, 2007	-
28.	Form TM – 1		2699372 March 14, 2104	18	Leather belts, leather bags, leather garments, travelling bags, canvas bags, leather and imitation of leather and articles made of these materials, umbrellas,	April 1, 2007	-



Sr. No.	Form	Particulars of trademark	Application number and date	Class	Nature of goods	User since	Opposition
					hides, parasols and walking sticks, whips, harness and saddlery all being goods		
29.	Form TM – 1		2699373 March 14, 2014	25	Clothing, Footwear, Headgear	April 1, 2007	-
30.	Form TM – 1		2699374 March 14, 2014	18	Leather belts, leather bags, leather garments, travelling bags, canvas bags, leather and imitation of leather and articles made of these materials, umbrellas, hides, parasols and walking sticks, whips, harness and saddlery all being goods	July 01, 2007	-
31.	Form TM – 1		2699375	25	Clothing, Footwear, Headgear	April 1, 2007	-
32.	Form TM – 1		2699376 March 14, 2014	18	Leather belts, leather bags, leather garments, travelling bags, canvas bags, leather and imitation of leather and articles made of these materials, umbrellas, hides, parasols and walking sticks, whips, harness and saddlery all being goods	April 1, 2007	-
33.	Form TM – 1		2699377 March 14, 2014	25	Clothing, Footwear, Headgear	April 1, 2007	-
34.	Form TM – 1		2699378 March 14, 2014	18	Leather belts, leather bags, leather garments, travelling bags, canvas bags, leather and imitation of leather and articles made of these materials, umbrellas, hides, parasols and walking sticks, whips, harness and saddlery all being goods	April 1, 2007	-
35.	Form TM – 1		2699379	25	Clothing, Footwear, Headgear	April 1, 2007	-

Sr. No.	Form	Particulars of trademark	Application number and date	Class	Nature of goods	User since	Opposition
36.	Form TM – 1		2841409	25	Readymade garments, knitwear, undergarments, neckties, including footwear of all kinds falling in class 25.	October 01, 2014	-
37.	Form TM-1		1791326	25	Clothing, Headgear	Footwear, March 03, 2009	-

*\*These trademarks were assigned to our Company vide a Deed of Assignment dated March 12, 2008 entered into by and between Narinder Singh Dhingra (the “Assignor”) and our Company (the “Assignee”) wherein the Assignor (as the owner and/ or beneficial owner) irrevocably sold, assigned, transferred, conveyed, and delivered all rights, benefit, title, interest, including common law rights vested in the Trade Marks, along with the goodwill of the business in the goods and services without any limitation or restriction whatsoever unto the Assignee absolutely forever for a consideration of a sum of Rupees One Hundred Only (₹ 100) paid by the Assignee to the Assignor.*

**IX. Following are the Licenses for our subsidiary Numero Uno Brands Limited**

1. Certificate of Incorporation dated March 24, 2011 under the Companies Act, 1956 issued by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana.
2. Certificate for Commencement of Business dated March 29, 2011 issued by Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana.
3. Our subsidiary’s Permanent Account Number under the Income Tax Act is AADCN5725F.
4. Our Company’s Tax Identification Number is 06331937106.
5. Our subsidiary’s Tax Deduction Account Number under the Income Tax Act, 1961 is RTKN02888E.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Fresh Issue of Equity Shares has been authorised by a resolution of our Board of Directors at its meeting held on February 03, 2015 and by a special resolution of the Shareholders at their meeting held on February 13, 2015 pursuant to Section 62 (1) (c) of the Companies Act.

Each of the Selling Shareholder has confirmed, severally, that the Equity Shares proposed to be offered and sold by it in the Offer for Sale are eligible to be offered for sale under Regulation 26(6) of the SEBI ICDR Regulations and are free from any lien, charge, encumbrance or contractual transfer restrictions. The Selling Shareholders have also confirmed that they are the legal and beneficial owners of the Equity Shares being offered under the Offer for Sale. The Offer for Sale has been authorised by the board of directors of AADC at its meeting held on April 28, 2015 and by Narinder Singh Dhingra *vide* letter dated April 27, 2015.

Further, the Board has taken on record the approval of the Offer for Sale by the Selling Shareholders and has approved this Draft Red Herring Prospectus pursuant to the resolution of the Board of Directors dated April 29, 2015.

Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by SEBI and other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, the Group Companies, Subsidiary, the persons in control of our Company and the Selling Shareholders have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of the Directors of our Company are associated with the securities market in any manner and SEBI has not initiated any action against any of the Directors.

### Prohibition by RBI

Our Company, Subsidiary, Selling Shareholders, Directors, Promoters and the relatives of the Promoters (as defined under the Companies Act) and Group Companies have confirmed that they have not been identified as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation is pending against them.

### Eligibility for this Issue

Our Company is eligible for the Issue in accordance with the eligibility criteria provided in Regulation 26(1) of the SEBI ICDR Regulations, and as calculated from the restated standalone and consolidated financial information prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- our Company has net tangible assets of at least ₹ 300 lacs in each of the preceding three full years (of 12 months each) of which not more than 50% are held in monetary assets;
- our Company has a minimum average pre-tax operating profit of ₹ 1,500 lacs calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- our Company has a pre-Issue net worth of at least ₹ 100 lacs in each of the three preceding full years (of 12 months each);

- the proposed Issue size does not exceed five times the pre-Issue net worth as per the audited accounts for the year ended March 31, 2015; and
- our Company has not changed its name in the last one year.

Our Company's net worth, net tangible assets and pre-tax operating profit derived from the Restated Summary Statements included in this Draft Red Herring Prospectus as at and for the last five years ended, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 are set forth below:

(₹ in lacs except percentage values)

Particulars	Fiscal 2015		Fiscal 2014		Fiscal 2013		Fiscal 2012		Fiscal 2011	
	Standalone	Consolidated*	Standalone	Consolidated*	Standalone	Consolidated*	Standalone	Consolidated*	Standalone	Consolidated*
Net tangible assets <sup>(1)</sup>	10,387.82	9,989.49	8,794.44	8,394.75	7,859.76	7,310.28	7,120.57	6,603.05	6,613.61	6,482.99
Monetary assets <sup>(2)</sup>	55.24	57.54	45.49	91.43	100.98	103.99	60.55	62.82	41.50	46.50
Monetary assets as a percentage of the net tangible assets	0.53%	0.58%	0.52%	1.09%	1.28%	1.42%	0.85%	0.95%	0.63%	0.72%
Networth <sup>(3)</sup>	9,775.77	9,377.44	8,410.17	8,011.59	7,524.16	6,977.07	6,895.46	6,381.59	6,335.18	6,204.94
Pre-tax operating profit <sup>(4)</sup>	3,150.53	3,164.48	2,409.41	2,562.74	2,008.61	1,976.19	1,805.99	1,662.49	1,268.39	1,263.28

\* includes minority interest

#### Notes:

- Net Tangible assets is considered as the sum of all net assets.(i.e. non-current assets, current assets less current liabilities) of our Company, excluding intangible assets as defined in Accounting Standard 26 (AS 26) notified by Companies Accounting Standards Rule, 2006.
- Monetary assets are considered as cash and bank balances including deposits with banks more than 12 months.
- Net worth is considered as the sum total of the paid up equity share capital and reserves and surplus.
- Pre-tax operating profits is computed by excluding depreciation, exceptional items, extraordinary items, tax, finance cost and other income from profit after tax, as restated.

In accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Issue shall be not less than 1,000, otherwise, the entire application money will be refunded forthwith. If our Company does not allot Equity Shares pursuant to the Issue within 12 Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Pursuant to Rule 19(2)(b)(i) of 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 through a Book Building Process in accordance with provision of Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Issue shall be allotted on a proportionate basis to QIBs. Our Company and the Selling Shareholders, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds subject to valid bids being received at or above the Anchor Investor Issue Price. Such number of Equity Shares representing 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders, subject to valid

Bids being received from them at or above the Issue Price, such that subject to availability of Equity Shares, each Retail Individual Bidders shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. For further details, please refer to the chapter “*Issue Procedure*” on page 384 of this Draft Red Herring Prospectus.

Our Company is in compliance with the following conditions under Regulation 4(2) of the SEBI ICDR Regulations:

- a) Our Company, the Selling Shareholders, our Directors, our Promoters, the members of our Promoter Group, the persons in control of our Company and the companies with which our Directors, Promoters or persons in control are or were associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;
- b) Our Company has applied to the BSE and the NSE for obtaining their in-principle listing approval for listing of the Equity Shares under this Issue through its applications dated [●] and [●], and has received the in-principle approvals from the BSE and the NSE pursuant to their letters dated [●] and [●], respectively. For the purposes of this Issue, [●] shall be the Designated Stock Exchange;
- c) Our Company has entered into agreements dated February 10, 2015 and January 06, 2015 with NSDL and CDSL respectively, for dematerialization of the Equity Shares; and
- d) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

#### **DISCLAIMER CLAUSE OF SEBI**

**AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ANAND RATHI ADVISORS LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS, ANAND RATHI ADVISORS LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, ANAND RATHI ADVISORS LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED APRIL 29, 2015 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:**

**WE, THE LEAD MERCHANT BANKERS 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 COMPANY, 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 COMPANY, WE CONFIRM THAT:
  - a) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI 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 SEBI, 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, 1956, THE COMPANIES ACT, 2013, THE SECURITIES 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 SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. 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 COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY 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 OF THE COMPANY OR OTHER CHARTER OF THE COMPANY 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 ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY AND THE SELLING SHAREHOLDERS 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 HAVE TO 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.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
  - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
  - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)’, AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR;
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH

**ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY  
INLCUDED IN THE DRAFT RED HERRING PROSPECTUS.**

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the Issue. SEBI further reserves the right to take up, at any point of time, with the BRLMs any irregularities or lapses in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 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 and 32 of the Companies Act, 2013.

**Price Information of past issues handled by the BRLMs**

**Summary statement of price information of past issues handled by Anand Rathi Advisors Limited**

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening price on listing date (₹)	Closing price on listing date (₹)	%Change in price on listing date (closing vs. issue price)	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar days from listing day (closing)	Closing price as on 20 <sup>th</sup> calendar day from listing day (₹)	Benchmark index as on 20 <sup>th</sup> calendar days from listing day (closing)	Closing price as on 30 <sup>th</sup> calendar day from listing day (₹)	Benchmark index as on 30 <sup>th</sup> calendar days from listing day (closing)
1	V-Mart Retail Ltd	9,441.60	210	February 20, 2013	216.00	205.25	-2.26%	19,642.75	168.95	18,918.52	175.25	19,646.21	169.20	18,792.87

**Notes:**

- Wherever 10th, 20th, 30th calendar day from the listing date is a holiday, we have considered the closing data of the next trading date / day
- Reference to benchmark index pertains to BSE SENSEX and all data has been taken from BSE website

**Track Record of past issues handled by Anand Rathi Advisors Limited**

Financial Year	Total No. of IPOs	Total Funds Raised (₹Lacs.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date		
			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%
2012-13	1	9,441.60	-	-	1	-	-	-	-	-	1	-	-	-
2013-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-	-	-	-	-	-



**Summary statement of price information of past issues handled by Motilal Oswal Investment Advisors Private Limited**

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening price on listing date (₹)	Closing price on listing date (₹)	%Change in price on listing date (closing vs. issue price)	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar days from listing day (closing)	Closing price as on 20 <sup>th</sup> calendar day from listing day (₹)	Benchmark index as on 20 <sup>th</sup> calendar days from listing day (closing)	Closing price as on 30 <sup>th</sup> calendar day from listing day (₹)	Benchmark index as on 30 <sup>th</sup> calendar days from listing day (closing)
NA														

**Track Record of past issues handled by Motilal Oswal Investment Advisors Private Limited**

Financial Year	Total No. of IPOs	Total Funds Raised (₹Lacs.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date		
			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%
2012-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Disclaimer Clause of the BSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

**Disclaimer Clause of the NSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

**Disclaimer from our Company, the Selling Shareholders, our Directors and Book Running Lead Managers**

Investors/Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and the Book Running Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the Selling Shareholders, the Underwriters and the Book Running Lead Managers and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Our Company, the Director and the Book Running Lead Managers 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 instance of the abovementioned entities and anyone placing reliance on any other source of information,

including our website, [www.numerounojeanswear.com](http://www.numerounojeanswear.com) would be doing so at his or her own risk. Each Selling Shareholder assumes responsibility severally only for statements and undertakings in this Draft Red Herring Prospectus specifically in relation to itself as a Selling Shareholder and the Equity Shares being offered by it through the Offer for Sale. The Selling Shareholders do not assume any responsibility for any other statement in this Draft Red Herring Prospectus, including without limitation, any and all of the statements made by or relating to our Company or its business.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into between the Book Running Lead Managers, our Company and the Selling Shareholders and the Underwriting Agreement to be entered into between the Underwriters, our Company and the Selling Shareholders.

Our Company, the Selling Shareholders and the Book Running Lead Managers shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres or elsewhere.

### **Caution**

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

**The BRLMs and their associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.**

### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India, Hindu Undivided Families (“HUFs”), companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under the applicable trust laws, and who are authorized under their constitution to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act, 2013, venture capital funds, permitted insurance companies and pension funds and, to permitted non-residents including Eligible NRIs, Eligible Qualified Foreign Investors (“QFIs”), Alternative Investment Funds (“AIFs”), Foreign Institutional Investors (“FIIs”), Foreign Portfolio Investors registered with SEBI (“FPIs”) and QIBs. Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations and Stock Exchanges. Accordingly, the Equity Shares, offered in the Issue 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.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, 1933 (“U.S. Securities Act”) or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold only outside of the United States in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

Bidders are advised to ensure that any single bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

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.

### **Filing of Prospectus with SEBI and the RoC**

A copy of this Draft Red Herring Prospectus has been filed with SEBI at 5th floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi 110 001, India.

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 at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 11 0019.

### **Listing**

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the BSE and the NSE for permission to list the Equity Shares and for an official quotation of the Equity Shares of our Company. [●] shall be the Designated Stock Exchange.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in reliance of the Red Herring Prospectus. Our Company shall ensure that all steps for such completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within 12 Working Days of the Bid/Issue Closing Date. The Selling Shareholders shall provide reasonable support and extend reasonable cooperation as required or requested by our Company to facilitate this process. If Equity Shares are not Allotted pursuant to the Issue within 12 Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay without 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, a Selling Shareholder shall not be responsible to pay interest for any delay, unless such delay has been caused solely by such Selling Shareholder.

### **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 for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Consents**

Consents in writing of: each of the Selling Shareholders; our Directors; our Company Secretary and Compliance Officer; our Auditors; lenders to our Company; Bankers to our Company; Escrow Collection Bank(s)\*; Refund Bank(s)\*; Syndicate Members\*; BRLMs; the Registrar and the Legal Advisor to the Issue, Legal Counsel to

AADC, International Legal Counsel to the Issue with respect to Selling and Transfer Restrictions for the Equity Shares and ICRA to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 26 and Section 32 of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

*\*The aforesaid will be appointed prior to filing of the Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.*

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Statutory Auditor, M/s B S R & Co, LLP, Chartered Accountants, has given their written consent to the inclusion of their report dated April 27, 2015 on restated standalone and consolidated financial information and the statement of tax benefits dated April 27, 2015 included in this Draft Red Herring Prospectus and such consent have not been withdrawn as on the date of this Draft Red Herring Prospectus.

### **Expert Opinion**

Except for the Auditors' reports dated April 27, 2015 on the restated standalone and restated consolidated financial information of our Company and the statement of tax benefits dated April 27, 2015, provided by M/s. B S R & Co., LLP, our Company has not obtained any expert opinions.

### **Issue Expenses**

The total expenses of the Issue are estimated to be approximately ₹ [●] lacs. The expenses of this Offer include, among others, underwriting and management fees, selling commissions, SCSBs commissions/fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details of Issue expenses, please refer to the chapter titled "*Objects of the Issue*" on page 81 of this Draft Red Herring Prospectus.

Other than the listing fees (which shall be borne by our Company), all Issue related expenses shall be pro rata borne by our Company and the Selling Shareholders in proportion to the proceeds of the respective Equity Shares offered by our Company and the Selling Shareholders in the Offer for Sale. The Selling Shareholders will reimburse their proportionate share of expenses from the proceeds of the Offered Shares upon a successful listing of the Equity Shares of our Company.

### **Details of Fees Payable**

#### **Fees, Brokerage and Selling Commission**

The total fees payable to the Syndicate Members (including underwriting commission, selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement.

#### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of Allotment Advice/refund orders, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the Agreement signed by our Company, Selling Shareholders and the Registrar to the Issue dated April 29, 2015, a copy of which is available for inspection at our Registered Office, from 10.00 am to 5.00 p.m. on Working Days from the date of filing the Red Herring Prospectus until the Bid/Issue Closing Date.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post or through such other mode as may be permitted. .

### **Previous Rights and Public Issues during the Last Five Years**

There have been no public or rights issues undertaken by our Company during the five years preceding the date of this Draft Red Herring Prospectus.

### **Previous Issues of Shares otherwise than for Cash**

Except as disclosed in the chapter titled “*Capital Structure*” on page 68 of this Draft Red Herring Prospectus, our Company has not issued any securities for consideration other than cash.

### **Underwriting commission, brokerage and selling commission on previous issues**

Since this is the initial public offering of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since inception.

### **Capital Issues in the Preceding Three Years**

Neither our Company nor our Subsidiary, Group Entities have made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

### **Promise versus Performance – Previous Issues of Company and our Group Companies/Subsidiary.**

None of our Company, Subsidiary, Group Entities have made any public issue or rights issue in the 10 years preceding the date of this Draft Red Herring Prospectus.

### **Outstanding debentures or bond issues or redeemable preference shares**

Our Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Draft Red Herring Prospectus.

### **Partly Paid-Up Shares**

As on the date of this Draft Red Herring Prospectus, there are no partly paid up Equity Shares of our Company.

### **Stock Market Data for our Equity Shares of our Company**

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

### **Mechanism for redressal of investor grievances**

The agreement dated April 29, 2015 between the Registrar to the Issue, the Selling Shareholders and our Company provides for retention of records with the Registrar to the Issue for a period of at least three year from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations with whom the Bid cum Application Form was submitted.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, application number, address of the applicant, number of Equity Shares applied for, the Bid Amount paid on submission of the Bid cum Application Form, the Depository Participant and the bank branch or collection centre where the Bid cum Application Form was submitted.

In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Broker at the Broker Centre where the Bid cum Application Form was submitted by the ASBA Bidder.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee comprising of Arun Kumar Jain as the chairman and Narinder Singh Dhingra and Rohini Singh Dhingra as members. For details, please refer to the chapter titled "*Our Management*" on page 158 of this Draft Red Herring Prospectus.

Our Company has appointed Man Singh, Company Secretary of our Company as Compliance Officer who would directly deal with SEBI office with respect to implementation of various laws, rules, regulations and other directives issued by SEBI and matters related to investor complaints.

Our Compliance Officer may be contacted in case of any pre-Issue or post-Issue related problems, at the following address at:

#### **Man Singh**

**Company Secretary and Chief Legal Officer cum Compliance Officer**

**Numero Uno Clothing Limited**

568/1, PMW Complex

Railway Road

Gurgaon – 122 001

Haryana, India

Telephone: +91-124-4555 222

**Facsimile:** +91-124-4555 255

**Email:** ipo@nucl.in

### **Changes in Auditors during the last three financial years and reasons thereof**

Pursuant to the resolution passed at the annual general meeting held on September 26, 2014, M/s. B S R & Co., LLP, Chartered Accountants was appointed as the Auditors of our Company. Prior to that, M/s. B S R & Company, Chartered Accountants was the auditors of our Company since June 11, 2008.

### **Capitalisation of Reserves or Profits**

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in the chapter titled "*Capital Structure*" on page 68 of this Draft Red Herring Prospectus.

### **Revaluation of Assets**

Our Company has not re-valued its assets since incorporation.

## SECTION VIII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to this Issue are subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association of our Company, conditions of RBI approval, if any, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, Bid-cum-Application Form, the Revision Form, the CAN, the Allotment Advice, the listing agreement with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, ROC, FIPB and / or other authorities, as in force on the date of the Issue and to the extent applicable.

#### Ranking of Equity Shares

The Equity Shares being issued and transferred shall be subject to the provisions of the Companies Act, Memorandum and Articles of Association, and shall rank pari passu in all respects with the other existing shares of our Company including in respect of the rights to receive dividends. The Allottees of the Equity Shares in the Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section titled “*Main Provisions of the Articles of Association*” on page 432 of this Draft Red Herring Prospectus.

#### Mode of payment of dividend

Our Company shall pay dividends, if declared, to the shareholders of our Company in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges. In respect of the Offer for Sale, all dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer for Sale for the entire year. The declaration and payment of dividends will be recommended by our Board of Directors and our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. For further details, see the chapter/section titled “*Dividend Policy*” and “*Main provisions of the Articles of Association*” on pages 179 and 432 respectively, of this Draft Red Herring Prospectus.

#### Face Value and Issue Price

The face value of each Equity Share is ₹ 10. The Issue Price of Equity Shares is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share. The Issue Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs.

At any given point of time there shall be only one denomination of Equity Shares, subject to applicable law.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company, the Selling Shareholder in consultation with the BRLMs and published in one English national daily newspaper with wide circulation and one Hindi national daily newspaper with wide circulation which shall also serve as the regional language newspaper with wide circulation, with Hindi being the regional language of Haryana where the Registered Office is located, at least five Working Days prior to the Bid/Issue Opening Date. 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 Form available at the website of the Stock Exchanges.

#### Compliance with SEBI Rules and Regulations

In connection with the Issue, Allotment and transfer of the Equity Shares in the Issue, the Company and the Selling Shareholders shall comply with applicable disclosure and accounting norms specified by SEBI from time to time.

#### Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders of our Company shall have the following rights:

- the right to receive dividend, if declared;
- the right to attend general meetings and exercise voting powers, unless prohibited by law;
- the right to vote on a poll either in person or by proxy;
- the right to receive offers for rights shares and be allotted bonus shares, if announced;
- the right to receive surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- the right of free transferability of Equity Shares, subject to applicable law, including RBI rules and regulations, if any; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act the terms of the listing agreements executed with the Stock Exchanges, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association such as those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, please refer to the section titled “*Main Provisions of the Articles of Association*” on page 432 of this Draft Red Herring Prospectus.

### **Market Lot and Trading Lot**

Under Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialized form for all investors.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated January 6, 2015 among CDSL, our Company and the Registrar to the Issue; and
- Agreement dated February 10, 2015 among NSDL, our Company and the Registrar to the Issue

Since trading of the Equity Shares is in dematerialized mode, the tradable lot is one Equity Share. Allocation and allotment of Equity Shares through the Issue will be done only in electronic form, in multiple of one Equity Share, subject to a minimum allotment of [●] Equity Shares. For details of allocation and allotment, please refer to the chapter titled “*Issue Procedure*” on page 384 of this Draft Red Herring Prospectus.

### **Joint Holders**

Subject to our Articles, where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in New Delhi, India.

### **Nomination Facility to the Investor**

In accordance with Section 72 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, the sole or First Bidder, along with other joint Bidder, 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, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ 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 Company’s Registered Office or to our Registrar and Transfer Agents.



Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

1. to register himself or herself as the holder of the Equity Shares; or
2. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other 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 will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.**

### **Bidding Period**

Bidders may submit their Bids only in the Bidding Period. The Bid/Issue Opening Date is [●] and the Bid/Issue Closing Date is [●].

### **Minimum Subscription**

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Issue equivalent to minimum number of securities as specified in Rule 19(2) of the SCRR, including through devolvement to the Underwriters, as applicable, our Company shall forthwith refund the entire subscription amount received no later than 15 days from the Bid/Offer Closing Date, failing which, the directors of our Company who are officers in default shall jointly and severally be liable to repay that money with interest at the rate of 15% per annum. If there is a delay beyond such period, our Company shall pay such interest prescribed under the Companies Act, 2013, read with the applicable rules framed thereunder.

The requirement for minimum subscription is not applicable to the Offer for Sale. Further, our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Issue for any reason at any time after the Bid/Issue Opening Date but before the Allotment of Equity Shares.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

### **Arrangement for disposal of odd lot**

There are no arrangements for disposal of odd lots.

### **Restriction on Transfer of Equity Shares**

Except for lock-in of pre-Issue equity shareholding, Promoters' minimum contribution and lock-in of Equity Shares Allotted to Anchor Investor for a period of 30 days from the date of Allotment, as detailed in the chapter "*Capital Structure*" on page 68 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/splitting except as provided in the Articles of Association. Please refer to the section "*Main Provisions of the Articles of Association*" on page 432 of this Draft Red Herring Prospectus.

### **Issue of Equity Shares in dematerialized form in the Issue**

In accordance with the SEBI ICDR Regulations and Section 29 of the Companies Act, 2013, Equity Shares will be issued, transferred and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

### **Withdrawal of the Issue**

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Issue advertisements were published, within two days of the Bid Closing Date, providing reasons for not proceeding with the Issue and the Stock Exchanges shall be informed promptly in this regard. The BRLMs, 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.

If our Company and the Selling Shareholders withdraw the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with an initial public offering of the Company's Equity Shares, the Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

## ISSUE STRUCTURE

Public Issue is of [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] lacs (the “Issue”). The Issue consists of a Fresh Issue of [●] Equity Share aggregating up to ₹ 6,500 lacs and an Offer for Sale of up to 84,00,000 Equity Shares aggregating up to ₹ [●] lacs. The Issue will constitute at least 25% of the post-Issue paid up equity share capital of our Company.

The Issue is being made through the Book Building Process:

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for allocation <sup>(2)</sup>	[●] Equity Shares.	Not less than [●] Equity Shares or Issue size less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares or Issue size less allocation to QIB Bidders and Non Institutional Bidders
Percentage of Issue Size available for Allotment/ Allocation	50% of the Issue shall be available for allocation to QIBs.  However, 5% of the QIB Category (excluding Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% Mutual Fund Portion will also be eligible for allocation in the remaining QIB Category. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Issue or the Issue less allocation to the QIB Bidders and Retail Individual Bidders	Not less than 35% of the Issue or the Issue less allocation to the QIB Bidders and Non Institutional Bidders
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (excluding Anchor Investor Portion) (a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and  (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors	Proportionate	Not less than the minimum Bid Lot (subject to 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 details refer to the chapter “Issue Procedure” on page 384 of this Draft Red Herring Prospectus
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹	Such number of Equity Shares that the Bid Amount exceeds ₹	[●] Equity Shares and in multiples of [●] equity shares

<b>Particulars</b>	<b>QIBs<sup>(1)</sup></b>	<b>Non-Institutional Bidders</b>	<b>Retail Individual Bidders</b>
	2,00,000 and in multiples of [●] equity shares thereafter	2,00,000 and in multiples of [●] equity shares thereafter.	thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Issue size, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Issue size, subject to applicable limits.	Such number of Equity Shares in multiples of [●] so as to ensure that the payment amount does not exceed ₹200,000.
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Allotment Lot	[●] Equity Shares and in multiples of one thereafter	[●] Equity Shares and in multiples of one thereafter	[●] Equity Shares and in multiples of one thereafter
Trading Lot/ Market Lot	One Equity Share	One Equity Share	One Equity Share
Who can Bid <sup>(2)</sup>	A mutual fund, venture capital fund and foreign venture capital investor registered with SEBI; a foreign institutional investor and sub- account (other than a sub- account which is a foreign corporate or foreign individual), registered with SEBI; FPIs other than Category III FPIs, FVCIs, AIFs, 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 (IRDA); provident funds with minimum corpus of ₹ 2500 lacs; and pension funds with minimum corpus of ₹ 2500 lacs; and 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	Resident Indian individuals, eligible NRIs, HUF, applying through their Karta, minors applying through their natural guardian, companies, corporate bodies, scientific institution, societies, trust, Category III FPIs.	Resident Indian individuals (including HUF, applying through their Karta, minors applying through their natural guardian) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed ₹ 2,00,000 in value

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
	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.		
Terms of Payment	The entire Bid Amount shall be payable at the time of submissions of Bid cum Application Form to the Designated Branch or the member of the Syndicate at the Specified Location or the Registered Broker at the Broker Centre, as the case may be. The SCSB will be authorized to block funds equivalent to the Bid Amount in the relevant ASBA Account as detailed in the Bid cum Application Form. <sup>(3)</sup>	The entire Bid Amount shall be payable at the time of submissions of Bid cum Application Form to the Designated Branch or the member of the Syndicate at the Specified Location or the Registered Broker at the Broker Centre, as the case may be. The SCSB will be authorized to block funds equivalent to the Bid Amount in the relevant ASBA Account as detailed in the Bid cum Application Form. <sup>(3)</sup>	The entire Bid Amount shall be payable at the time of submissions of Bid cum Application Form the Syndicate or the Designated Branch or the member of the Syndicate at the Specified Location or the Registered Broker at the Broker Centre, as the case may be. In case of ASBA Bidders, the SCSB will be authorized to block funds equivalent to the Bid Amount in the relevant ASBA Account as detailed in the Bid cum Application Form. <sup>(3)</sup>

<sup>1</sup>The Company and the Selling Shareholders may in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above Anchor Investor Issue Price. For details, please refer to the chapter titled “Issue Procedure” on page 384 of this Draft Red Herring Prospectus.

<sup>2</sup>This Issue is being made through the Book Building Process wherein 50% of the Issue will be available for allocation to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Issue will be available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, at the discretion of the our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis, subject to applicable laws.

<sup>3</sup>The QIB portion includes Anchor Investor Portion, as per the SEBI ICDR Regulations. Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Form. Any balance amount payable by the Anchor Investors, due to a difference between the Anchor Investor Issue Price and the Bid Amount paid by the Anchor Investors, shall be payable by the Anchor Investors within two Working Days of the Bid/Offer Closing Date.

### **Retail Discount**

The Retail Discount, if any, will be offered to Retail Individual Bidders at the time of making a Bid. Retail Individual Bidders bidding at a price within the Price Band can make payment at the Bid Amount (which will be less Retail Discount) at the time of making a Bid. Retail Individual Bidders bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount, at the time of making a Bid. Retail Individual Bidders must ensure that the Bid Amount does not exceed ₹ 200,000. Please refer to the chapter titled “Issue Procedure” on page 384 of this Draft Red Herring Prospectus.

## Letters of Allotment or Refund Orders or Instructions to SCSBs

Our Company shall give credit of any equity shares allotted to the successful Bidders' beneficiary account with its Depository Participant within two (2) Working Days from the date of Allotment of the Equity Shares and in any case, within the prescribed time under the applicable law. Applicants will receive refunds through NECS only (subject to availability of all information for crediting the refund through NECS) except where the applicant is eligible to receive refunds through Direct Credit, NEFT or RTGS. In the case of other applicants, the Company shall ensure the dispatch of refund orders, if any, of value up to ₹ 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above ₹ 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within two (2) Working Days from the date of Allotment of the Equity Shares and in any case, within the prescribed time under the applicable law.

In case of ASBA Bidder, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA for withdrawn, rejected or unsuccessful or partially successful ASBAs within 12 (twelve) working days (as defined in the relevant SEBI circular) of the Bid/Issue Closing Date.

## Interest in case of delay in dispatch of Allotment Letters or Refund Orders/instruction to SCSB by the Registrar to the Issue

Allotment of Equity Shares in the Issue, including the credit of Allotted Equity Shares to the beneficiary accounts of the Depository Participants, shall be made not later than 12 Working Days of the Bid/Issue Closing Date. Our Company further agrees that it shall pay interest at the rate of 15% per annum if the allotment letters or refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within eight days from the day our Company becomes liable to repay. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under sub-Section (2) and (2A) of Section 73 of the Companies Act. Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

## Bid/Issue Program

BID/ISSUE OPENS ON	[●] <sup>1</sup>
BID/ISSUE CLOSES ON	[●] <sup>2</sup>

<sup>1</sup> Our Company and the Selling Shareholders, may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.

<sup>2</sup> Our Company and the Selling Shareholders, may, in consultation with the BRLMs, consider closing the Bid/ Issue Period for QIBs one day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to demat account of the Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs. 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 Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Except in relation to the received from Anchor Investors, Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bidding Period at the Bidding centers mentioned in the Bid-cum-Application Form or, in case of Bids submitted through ASBA, at the Designated Branches (a list of such branches is available at the website of the SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) or with the members of the Syndicate at the Specified Locations or with the Registered Brokers at the Broker Centers (a list of such Broker Centers is available at the websites of the Stock Exchanges), as the case may be. On the Bid/Issue Closing Date (which for QIBs will be a day prior to the Bid/Issue Closing Date for other non-QIB Bidders), Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and until (ii) 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders, after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic bidding system would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders other than QIB Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus, unless specifically mentioned otherwise, is in Indian Standard Time. Bidders other than QIB 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, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company and the Syndicate shall not be responsible. Bids will be accepted only on working days, i.e., Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholders 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.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and reported by the BRLMs to the Stock Exchanges within half an hour of such closure.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bidding Period in accordance with the SEBI ICDR Regulations. Under the SEBI ICDR Regulations, the Cap Price should not be more than 20% of the Floor Price i.e., the Cap Price shall be less than or equal to 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the revised Floor Price Band can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision in the Price Band, the Bid/Issue Period will be extended for at least three (3) additional Working Days after revision of the Price Band subject to the Bid/Issue Period not exceeding ten (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 websites of the BRLMs at the terminals of the other members of the Syndicate.**

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

## 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 (the "General Information Document") included below under section "- Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 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 include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company, the Selling Shareholders and the Book Running Lead Managers would not be liable for any amendment, modification or change in 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 do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.*

### Part – A

#### Book Building Procedure

Pursuant to 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. This Issue is being made through the Book Building Process, wherein 50% of the Issue shall be allocated to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders in consultation with the BRLMs, may allocate up to 60% of the QIB portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, of which at least one third will be available for allocation to domestic Mutual Funds. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received at or above the Issue Price.

Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, subject to applicable law.

In case of QIBs (other than Anchor Investors) Bidding through the Syndicate ASBA, the Book Running Lead Managers and the members of the Syndicate, may reject Bids at the time of acceptance of the Bid-cum-Application Form, provided that the reasons for such rejection shall be disclosed to such Bidder in writing. Further, Bids from QIBs can also be rejected on technical grounds. In case of Non-Institutional Investors and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds only.

However, our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers reserve the right to reject any Bid received from Anchor Investors without assigning any reason.

Bidders can Bid at any price within the Price Band. The Price Band and the Bid Lot for the Issue will be decided by our Company in consultation with the Book Running Lead Managers, and advertised in one English national daily newspaper with wide circulation and one Hindi national daily newspaper with wide circulation which shall also serve as the regional language newspaper with wide circulation, with Hindi being the regional language of Haryana where the Registered Office is located, at least five Working Days prior to the Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price. Such information shall also be disclosed to the Stock Exchanges for dissemination.



Our Company will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for the Issue.

**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, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. **Investors should note that the Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.**

Any Bidder may participate in the Issue through the ASBA process by providing the details of their respective bank accounts / bank account held by a third party (subject to conditions as set forth herein below) in which the corresponding Bid amounts will be blocked by SCSBs.

Bidders are required to ensure that the PAN (of the sole/ first Bidder) provided in the Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint 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. The signature of only such 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.

### **Bid-cum-Application Form**

Please note that there is a common Bid-cum-Application Form for ASBA Bidders as well as for non-ASBA Bidders. Copies of the Bid-cum-Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Syndicate Members, the Registered Brokers, the SCSBs and the Registered Office of our Company. An electronic copy of the Bid-cum-Application Form will also be available on the websites of the SCSBs, the NSE ([www.nseindia.com](http://www.nseindia.com)) and the BSE ([www.bseindia.com](http://www.bseindia.com)) and the terminals of the Registered Brokers at least one day prior to the Bid/Issue Opening Date.

Retail Individual Investors may Bid through the ASBA process at their discretion. However, QIBs (excluding Anchor Investors) and Non-Institutional Investors must compulsorily use the ASBA process to participate in the Issue. Anchor Investors are not permitted to participate in this Issue through the ASBA process.

ASBA Bidders must provide bank account details in the relevant space provided in the Bid-cum-Application Form and the Bid-cum-Application Form that does not contain such details are liable to be rejected. In relation to non-ASBA Bidders, the bank account details shall be available from the depository account on the basis of the DP ID, Client ID and PAN provided by the non-ASBA Bidders in their Bid-cum-Application Form. Bidders are requested to note that refunds through the modes mentioned in this section shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank. ASBA Bidders shall ensure that the Bids are made on Bid-cum-Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs, as the case may be, submitted at the bidding 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 the various categories is as follows:

<b>Category</b>	<b>Colour of Bid-cum-Application Form *</b>
Resident Indians including resident QIBs, Non- Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including FPIs and Eligible NRIs, applying on a repatriation basis	Blue
Anchor Investors**	White

\* *Excluding electronic Bid-cum-Application Forms*

\*\* *Bid-cum-Application Forms for Anchor Investors will be made available at the office of the BRLMs.*

### **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 an Issue**”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs 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 organisations authorised in India to invest in the Equity Shares.

#### **Participation by associates/ affiliates of Book Running Lead Managers and Syndicate Members**

The BRLMs and the Syndicate Members 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 BRLMs and the Syndicate Members may subscribe to or purchase the Equity Shares in the Issue, including in the QIB Portion 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. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs and any persons related to the BRLMs, or the Promoters and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

#### **Bids by eligible NRIs**

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLMs, the Syndicate Members, the Registered Brokers and the SCSBs. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs (applying on a non-repatriation basis) should make payments by inward remittance in foreign exchange through normal banking channels or out of funds held in Non-Resident External (“NRE”) Accounts or Foreign Currency Non-Resident (“FCNR”) Accounts, or out of a Non-Resident Ordinary (“NRO”) Account, or Non-Resident (Special) Rupee Account / Non-Resident Non-Repatriable Term Deposit Account. NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for Residents (white in colour). Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

Eligible NRIs intending to make payment through freely convertible foreign exchange and bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their NRE or FCNR accounts, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Bids by non-resident Bidder bidding on a repatriation basis will not be accepted out of NRO accounts.

Non ASBA Bids by NRIs shall be submitted only in the locations specified in the Bid cum Application Form.

#### **Bids by Foreign Portfolio Investors**

In terms of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 (the “**SEBI FPI Regulations**”) investment in the Equity Shares by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is permitted up to 10% of our post-Issue Equity Share capital. 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.

In terms of the SEBI FPI Regulations, a FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. A FII shall not be eligible to invest as a FII after registering as an FPI under the SEBI FPI Regulations.

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. Our Company vide a special resolution passed by our shareholders in the extra – general meeting held on February 14, 2015 increased the aggregate limit of FIIs to 49% of the paid up equity share capital of our Company. 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.

Further, the existing individual and aggregate investment limits for QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian company, respectively. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the GoI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investors and unregulated broad based funds, which are classified as Category II foreign portfolio 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 a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only 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.

### **Bids by Mutual Funds**

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 Bids are made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry-specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

**In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.**

### **Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations"), and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulation, 2012, as amended ("SEBI AIF Regulations") prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the 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 SEBI VCF Regulations.

### **Bids by provident funds/ pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company and Selling Shareholders reserves the right to reject any Bid, without assigning any reason thereof.

### **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 and the Selling Shareholders reserves the right to reject any Bid without assigning any reason thereof.

### **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, Eligible QFIs, insurance companies and provident funds with a minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company and Selling Shareholders reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

### **Bids by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

### **Bids by Banking Companies**

The investment limit for banking companies as per the Banking Regulation Act, 1949 is 30% of the paid-up share capital of the investee company or 30% of the banks' own paid-up share capital and reserves, whichever is less (except in case of certain specified exceptions, such as setting up or investing in a subsidiary company, which requires RBI approval). Additionally, any investment by a bank in equity shares must be approved by such bank's investment committee set up to ensure compliance with the applicable prudential norms for classification, valuation and operation of investment portfolio of banks (currently reflected in the RBI Master Circular of July 1, 2010).

### **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 reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers is prescribed in Regulation 9 of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (the "IRDA Investment Regulations").

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. The Company, Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the RHP. Bidders are advised to make their independent investigations in respect of such matters and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## **Bids by OCBs**

In accordance with RBI regulations, OCBs cannot participate in the Issue.

## **Payment instructions**

In terms of RBI circular no. DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, non-CTS cheques are processed in three CTS centres in separate clearing session. This separate clearing session will operate thrice a week up to April 30, 2014, thereafter twice a week up to October 31, 2014 and once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/Issue Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment.

**BIDDERS ARE CAUTIONED THAT BID CUM APPLICATION FORMS ACCOMPANIED BY NON-CTS CHEQUES ARE LIABLE TO BE REJECTED DUE TO ANY DELAY IN CLEARING BEYOND SIX WORKING DAYS FROM THE BID/ISSUE CLOSING DATE.**

**PLEASE NOTE THAT IN THE EVENT OF A DELAY BEYOND SIX WORKING DAYS FROM THE BID/ISSUE CLOSING DATE IN CLEARING THE CHEQUES ACCOMPANYING THE BID CUM APPLICATION FORMS, FOR ANY REASON WHATSOEVER, SUCH BID CUM APPLICATION FORMS WILL BE LIABLE TO BE REJECTED.**

## **Escrow Mechanism-Payment into Escrow Accounts for Bidders other than ASBA Bidders**

The payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of Resident Retail Individual Bidders: “[●]”
- b. In case of Non Resident Retail Individual Bidders: “[●]”

Our Company and the Selling Shareholders in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: “[●]”
- b. In case of Non-Resident Anchor Investors: “[●]”

## **Public announcement upon filing of the DRHP**

The Company shall on the day of, or the day following the date of, filing this DRHP with SEBI, make a public announcement in an English national daily newspaper, a Hindi national daily newspaper and a Hindi daily newspaper (Hindi being the regional language of Haryana, the state where our Registered Office is located), each with wide circulation, disclosing that the DRHP has been filed with SEBI and inviting the public to give their comments to SEBI in respect of disclosures made in the DRHP.

## **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 ICDR Regulations, in one English national daily newspaper with wide circulation and one Hindi national daily newspaper with wide circulation which shall also serve as the regional language newspaper with wide circulation, with Hindi being the regional language of Haryana where the Registered Office is located.

## **General Instructions**

In addition to the general instructions provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues*” on page 395 of this Draft Red Herring Prospectus, Bidders are requested to note the additional instructions provided below.

### ***Do’s:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;
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 dematerialised form only;
5. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of the Syndicate or Registered Broker or SCSB (except in case of electronic forms) or with respect to ASBA Bidders, ensure that your Bid is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account, or to a Registered Broker at the Broker Centres;
6. In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Selling Shareholders or the Registrar to the Issue;
7. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. QIBs (other than Anchor Investors) and the Non-Institutional Bidders should Bid through the ASBA process only;
9. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
10. Ensure that you request for and receive a TRS for all your Bid options;
11. 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 or the Registered Broker (at the Broker Centres);
12. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;
13. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;
14. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;
15. Submit revised Bids to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised TRS;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all 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 Bidders 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;
17. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
18. 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;
19. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
20. 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;
21. Ensure that the category and sub-category under which the Bid is being submitted is clearly specified in the Bid cum Application Form;
22. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;

23. If you are resident outside India, ensure that Bids by you are in compliance with applicable foreign and Indian laws;
24. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the electronic bidding of the Stock Exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;
25. In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/or relevant SCSB and/or the Designated Branch and/or the Registered Broker at the Broker Centres (except in case of electronic forms);
26. Ensure that you tick the correct Bidder category, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the online IPO system of the Stock Exchanges;
27. 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;
28. ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/> Recognised-Intermediaries, updated from time to time). ASBA Bidders bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms;
29. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
30. Ensure that the entire Bid Amount is paid at the time of submission of the Bid or in relation to the ASBA Bids, ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form; and
31. In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid cum Application Form.

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 Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable;
4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Syndicate, the SCSBs or the Registered Brokers only;
6. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company, the Selling Shareholders or the Registrar to the Issue;
7. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;
8. Anchor Investors should not Bid through the ASBA process;
9. If you are a QIB or Non-Institutional Bidder, do not Bid at Cut-off Price;
10. If you are a Retail Individual Bidders, do not Bid for a Bid Amount exceeding ₹ 200,000;
11. 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 Red Herring Prospectus;
12. Do not submit the GIR number instead of the PAN;
13. In case you are a Bidder other than an ASBA Bidder, do not submit the Bid without payment of the entire Bid Amount. In case you are an ASBA Bidder, do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
14. In case you are an ASBA Bidder, do not instruct your respective banks to release the funds blocked in the ASBA Account;

15. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
16. 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;
17. If you are a QIB, do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date for QIBs;
18. If you are a Non-Institutional Bidder or Retail Individual Bidder, do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date;
19. 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 Depositories);
20. If you are a QIB or a Non-Institutional Bidder, do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage;
21. In case of ASBA Bidders, do not submit more than five Bid cum Application Forms per ASBA Account;
22. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;
23. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>, updated from time to time); and
24. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Registered Broker to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Undertakings by our Company**

We undertake as follows:

1. That if our Company and/or the Selling Shareholders does not proceed with the Issue after the Bid/Issue Closing Date, 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 exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
2. That if our Company and/or the Selling Shareholders withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
3. The Equity Shares proposed to be sold by it in the Issue shall be transferred to the successful bidders within the specified time in accordance with the instruction of the Registrar to the Issue;
4. That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
5. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within twelve (12) Working Days from the Bid/Issue Closing Date, whichever is earlier;
6. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
7. That the certificates of the securities or refund orders to the Eligible NRIs shall be despatched within specified time;
8. That funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;



9. That our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
10. That no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and
11. That, adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the Basis of Allotment.

#### **Undertakings by the Selling Shareholders**

Each of Selling Shareholders undertake that:

1. The Equity Shares offered by it through the Offer for Sale are eligible to be offered through the Offer for Sale in terms of Regulation 26(6) of the SEBI ICDR Regulations, and are free and clear of any liens or encumbrances;
2. they are the legal and beneficial owner of, and have full title to, the Equity Shares being sold in the Issue and the Equity Shares are free and clear of any liens or encumbrances and shall be transferred to the investors within the time specified under applicable law;
3. they shall provide such reasonable support and extend such reasonable co-operation as may be required by our Company in sending a suitable communication, where refunds are made through electronic transfer of funds, to the applicant within 15 days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
4. they shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;
5. if the Selling Shareholders do not proceed with the Issue after the Bid/ Issue Closing Date, the reason thereof shall be given by our Company as a public notice 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 exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly. They shall extend all reasonable cooperation requested by our Company and the BRLMs in this regard;
6. they shall not further transfer the Equity Shares offered in the Offer for Sale except in the Issue during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Issue and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by them in the Issue;
7. they shall take all such steps as may be required to ensure that the Equity Shares being sold by them pursuant to the Issue are available for transfer in the Issue within the time specified under applicable law; and

#### **Utilization of Net Proceeds of the Issue**

The Board of Directors of our Company certifies that:

1. all monies received out of the 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 utilised out of the Issue referred in sub-item 1, shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
3. details of all unutilised monies out of the Issue referred in sub-item 1, if any shall be disclosed under an

appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested

Our Company along with the Selling Shareholders declare that all monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

**Restriction on Foreign Ownership of Indian Securities**

For details on restrictions on foreign ownership of Indian securities, please refer to the chapter titled “*Key Regulations and Policies*” on page 142 of this Draft Red Herring Prospectus.

## 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/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders/Applicants 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 exchanges, on the website(s) of the BRLM(s) 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/Applicants may refer to the section “Glossary and Abbreviations”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

##### 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. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

##### 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 26/27 of SEBI ICDR Regulations, 2009. 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 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, 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) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

## **2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Issue (“Fixed Price Issue”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the 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/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## **2.5 ISSUE PERIOD**

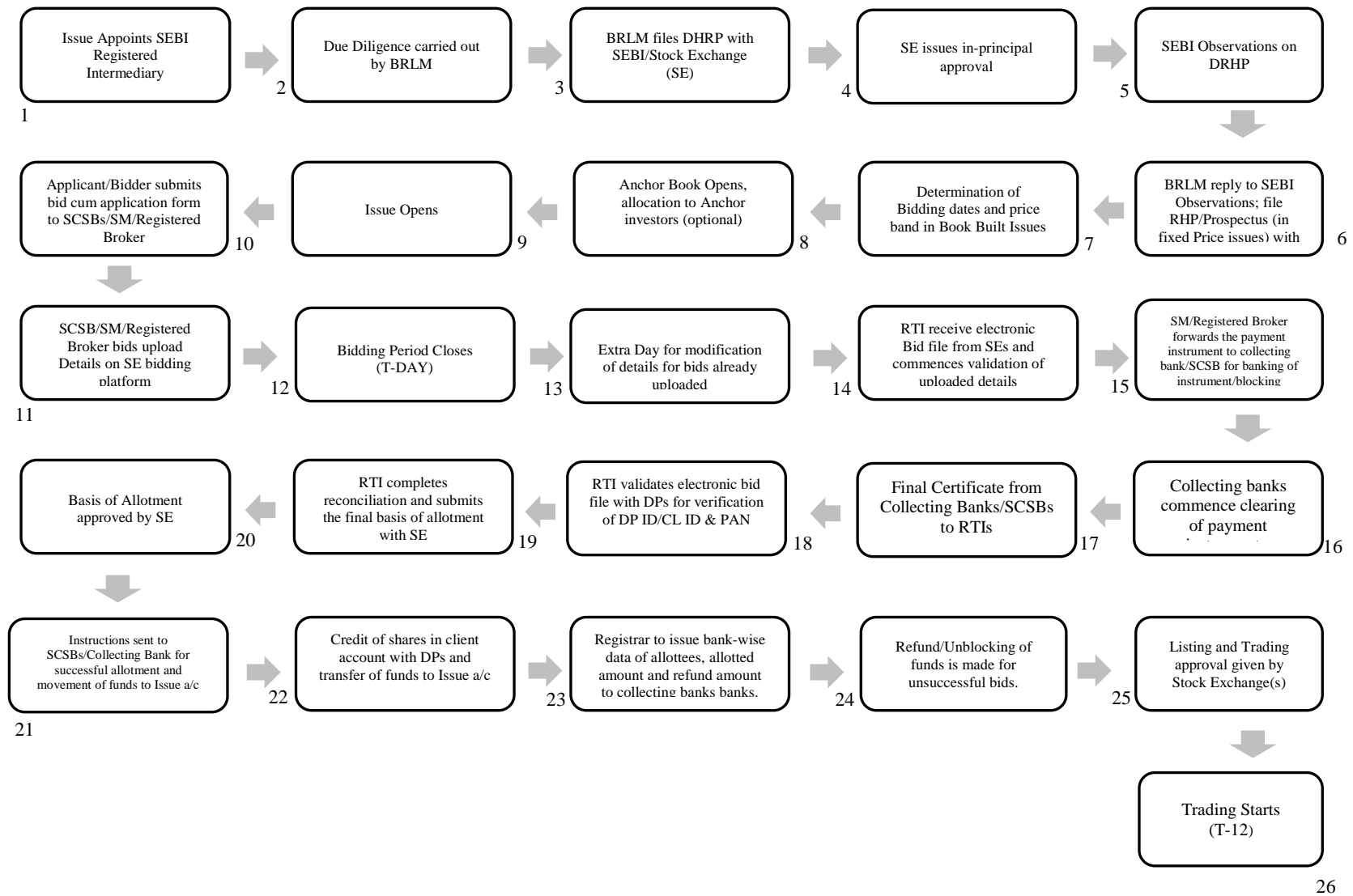
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/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 Issues 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 Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

## **2.6 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - i. Step 7 : Determination of Issue Date and Price
  - ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
  - iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
  - iv. Step 12: Issue period closes
  - v. Step 15: Not Applicable



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

*Each Bidder/Applicant should check whether it is eligible to apply under applicable law.* Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or First Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Qualified Foreign Investors subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid cum 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 RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

<b>Category</b>	<b>Color of the Bid cum Application Form</b>
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, QFIs, on a repatriation basis	Blue
Anchor Investors	[As specified by the Issuer]

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

#### **4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ APPLICATION FORM**

Bidders/Applicants 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:

TEAR HERE

**COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA**      **XYZ LIMITED - PUBLIC ISSUE - R**      **FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS**

Logo To, The Board of Directors, XYZ Limited      BOOK BUILDING ISSUE IN      Bid cum Application Form No. \_\_\_\_\_

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/AGENT'S STAMP & CODE	1. NAME & CONTACT DETAILS of Sole / First Applicant Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
ESCRWBANK / SCSB BRANCH STAMP & CODE	SUB-BROKER'S/SUB-AGENTS STAMP & CODE	
BANK BRANCH SERIAL NO.	REGISTRAR'S / SCSB SERIAL NO.	2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6. Investor Status <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 - VC <input type="checkbox"/> Others (Please specify) - OTH																												
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID																														
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")		5. Category <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB																												
<table border="1"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) * "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> </tr> <tr> <th>Bid Price</th> <th>Discount, if any</th> <th>Net Price</th> <th>"Cut-off" (Please tick)</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>7   6   5   4   3   2   1</td> <td>4   3   2   1</td> <td>4   3   2   1</td> <td>4   3   2   1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>		Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) * "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)				Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)	Option 1	7   6   5   4   3   2   1	4   3   2   1	4   3   2   1	4   3   2   1	<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>	
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)			Price per Equity Share (₹) * "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)																										
		Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)																									
Option 1	7   6   5   4   3   2   1	4   3   2   1	4   3   2   1	4   3   2   1	<input type="checkbox"/>																									
(OR) Option 2					<input type="checkbox"/>																									
(OR) Option 3					<input type="checkbox"/>																									

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)      PAYMENT OPTIONS     Full Payment     Part Payment

Amount Paid (₹ in figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

(A) CHEQUE/ DEMAND DRAFT (DD)       (B) ASBA

Cheque/DD No. \_\_\_\_\_ Dated D | D | M | M | Y | Y      Bank A/c No. \_\_\_\_\_

Drawn on (Bank Name & Branch) \_\_\_\_\_      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 FORM 2A 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 up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE/ FIRST APPLICANT	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY) I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date: _____, 2011	1) _____ 2) _____ 3) _____	

TEAR HERE

<b>XYZ LIMITED</b>	Acknowledgement Slip for Syndicate Member / SCSB	Bid cum Application Form No. _____
DPID / CLID _____	PAN _____	
Amount Paid (₹ in figures) _____	Bank & Branch _____	Stamp & Signature of Banker
Cheque / DD/ASBA Bank A/c No. _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____	Email _____	

TEAR HERE

<b>XYZ LIMITED</b>	Option 1	Option 2	Option 3	Stamp & Signature of Syndicate Member / SCSB	Name of Sole / First Applicant
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)				
Cheque / DD/ASBA Bank A/c No. _____				Acknowledgement Slip for Bidder	Bid cum Application Form No. _____
Bank & Branch _____					



**COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA**

**XYZ LIMITED - PUBLIC ISSUE - NR**

FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS

Logo To: **BOOK BUILDING ISSUE** Bid cum Application Form No.   
 The Board of Directors INE523L01018   
 XYZ Limited

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/AGENT'S STAMP & CODE	1. NAME & CONTACT DETAILS of Sole / First Applicant Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
ESCROW BANK / SCSB BRANCH STAMP & CODE	SUB-BROKER'S/SUB-AGENT'S STAMP & CODE	
BANK BRANCH SERIAL NO.	REGISTRAR'S / SCSB SERIAL NO.	

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6. Investor Status
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID		<input type="checkbox"/> NRI Non-Resident Indian (Repatriation basis) <input type="checkbox"/> FII Foreign Institutional Investor <input type="checkbox"/> FVCI Foreign Venture Capital Investor <input type="checkbox"/> FIISA FII Sub Account Corporate / Individual <input type="checkbox"/> OTH Others (Please Specify)

4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")				5. Category		
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)				<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB
		Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)	
Option 1						
(OR) Option 2						
(OR) Option 3						

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)      PAYMENT OPTIONS     Full Payment     Part Payment

Amount Paid (₹ in figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. _____ Dated <u>  </u> <u>  </u> / <u>  </u> / <u>  </u> Drawn on (Bank Name & Branch) _____	<input type="checkbox"/> (B) ASBA Bank A/c No. _____ Bank Name & Branch _____
--	---

WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKINGS' 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.

8A. SIGNATURE OF SOLE / FIRST APPLICANT	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY) I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue.	BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date: _____ 2011	1) _____ 2) _____ 3) _____	

TEAR HERE

<b>XYZ LIMITED</b>	Acknowledgement Slip for Syndicate Member / SCSB	Bid cum Application Form No. _____
DPID / CLID _____	PAN _____	
Amount Paid (₹ in figures) _____	Bank & Branch _____	Stamp & Signature of Banker
Cheque / DD/ASBA Bank A/c No. _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____	Email _____	

TEAR HERE

<b>XYZ LIMITED</b>	Option 1	Option 2	Option 3	Stamp & Signature of Syndicate Member / SCSB	Name of Sole / First Applicant
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)				
Cheque / DD/ASBA Bank A/c No. _____				<b>Acknowledgement Slip for Bidder</b> Bid cum Application Form No. _____	
Bank & Branch _____					

TEAR HERE

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- b) **Mandatory Fields:** 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(including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the 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 /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such First Bidder/Applicant would be deemed to have signed on behalf of the joint holders All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of subsection (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.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

- a) PAN (of the Sole/ First Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories’ records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their

PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Bids/Applications 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**

- a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- d) 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/Applicants’ sole risk.

#### **4.1.4 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 /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))
- 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 Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application 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/Prospectus or the advertisement regarding the Price Band published by the Issuer.

#### 4.1.4.1 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 Investors, 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 ₹ 200,000.

In case the Bid Amount exceeds ₹ 200,000 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.

- b) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 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. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.
- d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders 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 ₹ 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 Portion 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.
- i) 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 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 (For details of bidders may refer to (Section 5.6 (e))

#### **4.1.4.2 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 Net 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 Category.

#### **4.1.5 FIELD NUMBER 5 : CATEGORY OF BIDDERS**

- a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.
- c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- d) The SEBI ICDR Regulations, 2009, 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/Applicant may refer to the RHP/Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus 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) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.
- c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.
- d) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft (“Non-ASBA Mechanism”).
- e) Bid Amount cannot be paid in cash, through money order or through postal order.

##### **4.1.7.1 Instructions for non-ASBA Bidders:**

- a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.
- b) For Bids made through a member of the Syndicate: The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.
- c) For Bids made through a Registered Broker: The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.
- d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.

- g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### **4.1.7.2 Payment instructions for ASBA Bidders**

- a) ASBA Bidders may submit the Bid cum Application Form either
- I. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
  - II. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - III. in physical mode to a member of the Syndicate at the Specified Locations, or
  - IV. Registered Brokers of the Stock Exchange
- b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- c) 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 Bids cum Application Forms can be submitted.
- f) **ASBA Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- g) **ASBA Bidders bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.
- h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application 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 Bid cum Application 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 upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

- l) Upon submission of a completed Bid cum Application Form each ASBA 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 Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.7.2.1. Unblocking of ASBA Account**

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each 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 ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful 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 ASBA 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 Bid cum Application 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 12 Working Days of the Bid/Issue Closing Date.

#### **4.1.7.3 Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment 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.

#### **4.1.7.4 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).
- d) Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### **4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.



- c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/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/Application Form.
- d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant 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 a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.
- b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.
- c) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.
  - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
  - iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker.
  - v. Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- d) The following details (as applicable) should be quoted while making any queries –
  - i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or
  - iii. In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof
  - iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.

- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.
- e) A sample Revision form is reproduced below:

<b>COMMON BID REVISION FORM FOR ASBA / NON-ASBA</b>		<b>XYZ LIMITED - PUBLIC ISSUE - R</b>				<b>FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS</b>														
<b>Logo</b> To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018		Bid cum Application Form No. _____																
SYNDICATE MEMBERS' STAMP & CODE		BROKER'S/AGENTS' STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant																
ESCROW BANK/SCSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Mr. / Ms. _____																
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.		Tel. No (with STD code) / Mobile _____																
				2. PAN OF SOLE / FIRST APPLICANT																
				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																
<b>PLEASE CHANGE MY BID</b>																				
4. FROM (as per last Bid or Revision)																				
Bid Options	No. of Equity Shares Bid (Bids 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)												
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1	"Cut-off" (Please tick)
Option 1																				<input type="checkbox"/>
(OR) Option 2																				<input type="checkbox"/>
(OR) Option 3																				<input type="checkbox"/>
5. TO (Revised Bid)																				
Bid Options	No. of Equity Shares Bid (Bids 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)												
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1	"Cut-off" (Please tick)
Option 1																				<input type="checkbox"/>
(OR) Option 2																				<input type="checkbox"/>
(OR) Option 3																				<input type="checkbox"/>
6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)										PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment										
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____																				
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD)										<input type="checkbox"/> (B) ASBA										
Cheque/DD No. _____ Dated <u>  </u> / <u>  </u> / <u>  </u>					Bank A/c No. _____															
Drawn on (Bank Name & Branch) _____					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 REVISION FORM AND THE ATTACHED FORM 2A 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 up the Bid revision Form given overleaf.																				
7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)				7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)				BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)												
Date : _____, 2011				I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue																
												1) _____								
												2) _____								
TEAR HERE																				
<b>XYZ LIMITED BID REVISION FORM</b>				<b>Acknowledgement Slip for Syndicate Member / SCSB</b>				Bid cum Application Form No. _____												
DPID / CLID				PAN																
Additional Amount Paid (₹)				Bank & Branch				Stamp & Signature of Banker												
Cheque / DD/ASBA Bank A/c No.																				
Received from Mr./Ms.																				
Telephone / Mobile		Email																		
TEAR HERE																				
<b>XYZ LIMITED BID REVISION FORM</b>	Option 1		Option 2		Option 3		Acknowledgement of Syndicate Member / SCSB													
	No. of Equity Shares																			
	Bid Price																			
	Additional Amount Paid (₹)																			
Cheque / DD/ASBA Bank A/c No.						<b>Acknowledgement Slip for Bidder</b>														
Bank & Branch						Bid cum Application Form No. _____														

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### **4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants 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'**

- a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant 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.
- b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 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.
- d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. 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.
- e) 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 ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

- a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants 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.
- c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Issue 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 member of the Syndicate/Registered Broker or the same

Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

- d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.
- e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant 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 no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- f) 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 in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

#### **4.2.4 FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### **4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

##### **4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

##### **4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- e) An application cannot be submitted for more than the Issue size.
- f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

- h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
- i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- i) The following applications may not be treated as multiple Bids:
- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - iii. Applications 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.

#### **4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

#### **4.3.4 FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### **4.3.5 FIELD 7: PAYMENT DETAILS**

- a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- b) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

##### **4.3.5.1 Instructions for non-ASBA Applicants:**

- a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).
- b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).
- c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.
- d) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.
- f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### **4.3.5.2 Payment instructions for ASBA Applicants**

- a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- d) Applicants 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 Bids cum Application Forms can be submitted.
- f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

- k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### **4.3.5.3 Unblocking of ASBA Account**

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue Closing Date.

#### **4.3.5.4 Discount (if applicable)**

- a) The Discount is stated in absolute rupee terms.
- b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### **4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### **4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM**

##### **4.4.1 Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

<b>Mode of Application</b>	<b>Submission of Bid cum Application Form</b>
Non-ASBA Application	1) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form 2) To Registered Brokers
ASBA Application	1) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centre. 2) To the Designated branches of the SCSBs where the ASBA Account is maintained

- a) Bidders/Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.
- b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.
- c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

## **SECTION 5: 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, 2009. 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.

### **5.1 SUBMISSION OF BIDS**

- a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.
- b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.
- c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.
- d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

### **5.2 ELECTRONIC REGISTRATION OF BIDS**

- a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs 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 Syndicate, the Registered Broker and the Designated Branches of the SCSBs 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. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after 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 for validation of the electronic bid details with the Depository's records.



### **5.3 BUILD UP OF THE BOOK**

- a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs 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 BRLMs 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.

### **5.4 WITHDRAWAL OF BIDS**

- a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process 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 SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. 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.

### **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
  - i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
  - ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
  - iii. the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
  - iv. With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- b) The BRLMs 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) BRLMs 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.

#### **5.5.1 GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b) Bids/Applications by OCBs; and
- c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, 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;
- n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- p) Bids/Applications for a Bid/Application Amount of more than ₹ 200,000 by RIIs by applying through non-ASBA process;
- q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

- t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- w) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);
- x) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

## 5.6 BASIS OF ALLOCATION

- a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and the Selling Shareholders and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.
- c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

### d) 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 ₹ 20 to ₹ 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.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500		24	500 16.67%
1000		23	1,500 50.00%
1500		22	3000 100.00%
2000		21	5000 166.67%
2500		20	7500 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 Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 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.

#### **e) Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“Alternate Book Building Process”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

### **SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

### **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is 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). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

#### **7.1 ALLOTMENT TO RIIs**

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total

demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“Maximum RII Allottees”). The Allotment to the RIIs will then be made in the following manner:

- a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

## **7.2 ALLOTMENT TO NIIs**

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

## **7.3 ALLOTMENT TO QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 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:

- a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;
- b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) 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 along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

## **7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer 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 ₹ 10 crores;
  - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 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 ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor.
- b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, 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 Issue 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 Issue 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 Issue Price: Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### **7.5. BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY 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 Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders may be categorized according to the number of Equity Shares applied for;
- b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## 7.6. DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account 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 shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.
- 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/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue 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 12 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 12 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 RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

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/Applicants in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time 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 such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

#### **8.2.2. NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, within 60 days from the Bid/Issue Closing Date, the Issuer may forthwith, without interest refund the entire subscription amount received. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time, then the Issuer and every director of the Issuer who is an officer in default may be liable to repay the money, with interest at the rate of 15% per annum.

#### **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 1,000 failing which the entire application monies may be refunded forthwith.

#### **8.2.4. IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

### **8.3. MODE OF REFUND**

- a) In case of ASBA Bids/Applications: Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- b) In case of Non-ASBA Bid/Applications: Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ allotment to Bidders/Applicants.
- c) In case of non-ASBA Bidders/Applicants, 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 Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants 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 refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants 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.
- d) In the case of Bids from Eligible NRIs, FIIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

#### **8.3.1. Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants**



The payment of refund, if any, may be done through various modes as mentioned below:

- a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' 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 Bidders/Applicants 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 Bidders/Applicants 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) **Direct Credit**—Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- d) **RTGS**—Bidders/Applicants 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; and
- e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

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, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc Bidders/Applicants may refer to RHP/Prospectus.

### **8.3.2. Mode of making refunds for ASBA Bidders/Applicants**

In case of ASBA Bidders/Applicants, 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.

## **8.4. INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 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
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, 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
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs 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. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs 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. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date

<b>Term</b>	<b>Description</b>
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 Bidders/Applicants (other than Anchor Investors) 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 ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under the SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form 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 websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may 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 and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details

<b>Term</b>	<b>Description</b>
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Exchange	Stock The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under the 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 promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under the SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)

<b>Term</b>	<b>Description</b>
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	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the 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 corporate 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 ₹200,000 (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 RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs, QFIs and FVCIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
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 the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, 1956 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date

Term		Description
Qualified Investors or QFIs	Foreign	Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIB Category		The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Buyers or QIBs	Institutional	As defined under the SEBI ICDR Regulations, 2009
RTGS		Real Time Gross Settlement
Red Herring Prospectus/RHP	Prospectus/	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)		The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)		Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds		Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker		Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI		The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Categories	Category/	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion		The portion of the Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs		Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Shareholders	Individual	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category		The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form		The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC		The Registrar of Companies
SEBI		The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009		The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

<b>Term</b>	<b>Description</b>
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

## SECTION IX – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

*Pursuant to Schedule II 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 and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association. Certain defined terms used in the Articles of Association are set forth below. All other defined terms used in this section have the meaning given to them in the Articles of Association.*

The Authorised capital of our Company is ₹ 6,000 lacs divided into 600 lacs equity shares of ₹ 10 each.

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### THE COMPANIES ACT, 2013

### COMPANY LIMITED BY SHARES

(Incorporated under the Companies Act, 1956)

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### ARTICLES OF ASSOCIATION OF NUMERO UNO CLOTHING LIMITED

The Articles of Association of Numero Uno Clothing Limited (the “Company”) are divided into Parts I and II, which parts shall, unless the context otherwise requires, co-exist with each other. However, Part II of these Articles shall automatically terminate and cease to have any force and effect from the date of listing of shares of the Company on a stock exchange in India subsequent to an initial public offering of shares of the Company without any further action by the Company or by the shareholders. In the event of any inconsistency or conflict between Part I and Part II of these Articles, the provisions of Part II shall override the provisions of Part I of the Articles.

The following regulations comprised in these Articles of Association were adopted in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Article of Association of the Company.

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#### PART I

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#### TABLE ‘F’ EXCLUDED

Sr. No	Particulars	Marginal Notes
1.	(1) The regulations contained in Table marked “F” in the Schedule I of the Companies Act, 2013 shall apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. (2) The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by Special Resolution as prescribed or permitted by the Companies Act, 2013 be such as are contained in these Articles.	<b>Table F not to apply</b>  <b>Company to be governed by these Articles</b>

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#### INTERPRETATION CLAUSE

2.	(1) In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context: (a) “The Act” means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article and any previous company law, so far as may be applicable. (b) “Articles” means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution. (c) “Auditors” means and includes those persons appointed as such for the time being of the Company.	<b>Act</b>  <b>Articles</b>  <b>Auditors</b>
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(d)	“Business Day” shall mean any day of the year, other than Saturdays and Sundays and any other days on which banks are closed for business in the city where the registered office of the Company is situated.	<b>Business Day</b>
(e)	“Board of Directors” or “Board” shall mean the collective board of the directors of the Company.	<b>Board</b>
(f)	“Capital” means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
(g)	“The Company” shall mean Numero Uno Clothing Limited	<b>Company</b>
(h)	“Investor” shall mean AA Development Capital India Fund 1, LLC	<b>Investor</b>
(i)	“Legal Representative” means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>
(j)	Words importing the masculine gender also include the feminine gender.	<b>Gender</b>
(k)	“Meeting” or “General Meeting” means a meeting of members.	<b>Meeting or General Meeting</b>
(l)	“Month” means a calendar month.	<b>Month</b>
(m)	“Annual General Meeting” means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>
(n)	“Extra-Ordinary General Meeting” means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>
(o)	“Fully Diluted” means with respect to Securities, all outstanding equity shares and all Securities issuable in respect of, Securities convertible into or exchangeable for equity shares, stock appreciation rights or options, warrants and other irrevocable rights to purchase or subscribe for equity shares or securities convertible into or exchangeable into equity shares.	<b>Fully Diluted</b>
(p)	“National Holiday” means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>
(q)	“Non-retiring Directors” means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
(r)	“Office” means the registered Office for the time being of the Company.	<b>Office</b>
(s)	“Ordinary Resolution” shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary Resolution</b>
(t)	“Person” shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>
(u)	“Proxy” means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
(v)	“The Register of Members” means the Register of Members to be kept pursuant to Section 88(1)(a) of the Act.	<b>Register of Members</b>
(w)	“Rules” mean the applicable rules for the time being in force as prescribed under relevant sections of the Act.	<b>Rules</b>
(x)	“Securities” shall have the meaning ascribed to the term under Section 2(h) of the Securities Contract (Regulation) Act, 1956.	<b>Securities</b>
(y)	“Seal” means the common seal for the time being of the Company.	<b>Seal</b>
(z)	“Share” means a share in the share capital of the Company and include stock.	<b>Share</b>
(aa)	“Special Resolution” shall have the meanings assigned to it by Section 114 of the Act.	<b>Special Resolution</b>
(bb)	Words importing the singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
(cc)	“The Statutes” means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
(dd)	“These presents” means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
(ee)	“Year” means the calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	Save as aforesaid any words and expressions contained in these Articles shall	<b>Expressions in the</b>

	bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Act to bear the same meaning in Articles</b>
<b>SHARE CAPITAL AND VARIATION OF RIGHTS</b>		
3.	a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
	b) The minimum paid up Share capital of the Company shall be ₹5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.	
	c) 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 board 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.	<b>Shares under the control of Board</b>
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified or may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	<b>Increase of capital by the Company how carried into effect</b>
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>
6.	The Company may issue the following kinds of shares in accordance with these Articles. The Act, the Rules and other applicable laws: (a) Equity Share Capital (i) With voting rights; and / or (ii) With differential rights as to dividend, voting or otherwise in accordance with the Rules; and (b) Preference Share Capital	<b>Kinds of Share and Voting Rights</b>
7.	Any debentures, debenture-stock or other securities may be issued at a 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 (but not voting) at the General Meeting, appointment of Directors 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>Debentures</b>
8.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed there under.	<b>Issue of Sweat Equity Shares</b>
9.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	<b>ESOP</b>
10.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the	<b>Consolidation, Sub-Division And</b>

	share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	<b>Cancellation</b>
11.	Subject to compliance with applicable provision of the Act and rules framed there under the Company shall have power to issue depository receipts in any foreign country.	<b>Issue of Depository Receipts</b>
12.	(1) Subject to compliance with applicable provision of the Act and rules framed there under the Company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed there under. (2) Subject to the provision of the Act and rules made there under the Company shall have power to issue any kind of securities duly subdivided/consolidated as permitted to be issued under the Act and rules made there under.	<b>Issue of Securities</b>  <b>Issue of Securities duly subdivided or consolidated</b>
13.	(1) Every person whose name is entered as a member in the registrar of members, shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for registration of transfer or transmission or within such other periods as the conditions of issue shall provide- (a) One certificate for all his shares without payment of any charges; or (b) Several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first. (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon. (3) In respect of any shares 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 shareholders.	<b>Issue of certificate of shares (where shares are not in demat form)</b>  <b>Certificate to bear seal</b>  <b>One certificate for shares held jointly</b>
14.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a 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 of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be	<b>Share Certificates (where shares are not in demat form)</b>

	<p>entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
15	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.	<b>Option to receive share certificate or hold shares with depository</b>
16	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.	<b>Issue of new certificate in place of one defaced, lost or destroyed (where shares are not in demat form)</b>
17	The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	<b>Provision as to issue of certificates to apply <i>mutatis mutandis</i> to debentures, etc</b>
18	(1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, 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 the Act and the Rules.	<b>Power to pay commission in connection with securities issued</b>
	(2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.	<b>Rate of commission in accordance with Rules</b>
	(3) 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.	<b>Mode of payment of commission</b>
	(4) The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
19.	(1) 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 the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.	<b>Variation of members' rights</b>
	(2) To every such separate meeting, the provisions of these Articles relating to General Meetings shall <i>mutatis mutandis</i> apply.	<b>Provisions as to General Meetings to apply <i>mutatis mutandis</i> to each</b>

		<b>meeting</b>
20.	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 <i>pari passu</i> therewith	<b>Issue of further shares not to affect the rights of existing members</b>
21.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the Company for the time being 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 and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	<b>Shares at the disposal of the Directors.</b>
22.	Subject to the provisions of the Act, the Board shall have the power to issue or reissue cumulative or non-cumulative basis preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.	<b>Power to issue redeemable preference shares</b>
23.	(1) The Board or the Company, as the case may be, may in accordance with the Act and Rules, issue further shares to: <ul style="list-style-type: none"> <li>(a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or</li> <li>(b) employees under any scheme of employees' stock option; or</li> <li>(c) any persons, whether or not those persons include the person referred to in clause (a) or (b) above.</li> </ul> (2) A further issue of shares may be made in any manner whatsoever as the Board may determine, among others, by way of further public offer, preferential offer or private placement, subject to and in accordance of the Act and other regulations governing such issues.	<b>Further issue of share capital</b>  <b>Mode of further issue of shares</b>
<b>LIEN</b>		
24.	(1) The Company shall have a first and paramount lien— <ul 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> </ul> 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. (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. (3) Unless otherwise agreed by the board, the registrar of a transfer of shares shall operate as a waiver of the Company's lien. (4) That fully paid shares shall be free from all lien and that in the case of partly paid shares the company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares;	<b>Company's lien on shares</b>  <b>Lien to extend to dividend etc.</b>  <b>Waiver of lien in case of registration</b>  <b>Fully paid shares free from lien</b>
25.	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— <ul style="list-style-type: none"> <li>(a) unless a sum in respect of which the lien exists is presently payable; or</li> <li>(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</li> </ul>	<b>As to enforcing lien by sale</b>

	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 or otherwise.	
26.	(1) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof. (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer. (3) The receipt of the Company for the consideration (if any) given for the share on the sake thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. (4) 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 with reference to the sale.	<b>Validity of sale</b>  <b>Purchaser to be registered holder of Company's receipt</b>  <b>Purchaser not affected</b>
27.	(1) 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. (2) 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.	<b>Application of proceeds of sale</b>  <b>Payments of residual money</b>
28.	In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.	<b>Outsider's lien not to affect Company's lien</b>
29.	The provision of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	<b>Provision's as to lien to apply <i>mutatis mutandis</i> to debentures, etc.</b>
<b>CALLS ON SHARES</b>		
30.	(1) 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 (2) 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.  (3) The Board may, from time to time, at its discretion, extend the time fixed for payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.  (4) A call may be revoked or postponed at the discretion of the Board.	<b>Board may make calls</b>  <b>Notice of call</b>  <b>Board may extend time for payment</b>  <b>Revocation or postponement of call</b>
31.	(1) That option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings. (2) A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.	<b>Option or right to call of shares</b> <b>Call to take effect from date of resolution</b>
32.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	<b>Liability of joint holders of shares</b>
33.	(1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board. (2) The Board shall be at liberty to waive payment of any such interest wholly	<b>When interest on call or instalment payable</b>  <b>Board may waive</b>

	or in part.	<b>interest</b>
34.	<p>(1) 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 Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>(2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>	<p><b>Sums deemed to be calls</b></p> <p><b>Effect of non – payment of sums</b></p>
35.	<p>The Board—</p> <p>(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the members (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.</p>	<b>Payment in anticipation of calls may carry interest</b>
36.	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.	<b>Instalments on shares to be duly paid</b>
37.	<p>All calls shall be made on a uniform basis on all shares falling under the same class.</p> <p>Explanation: Shares of all the same nominal value on which different amounts have been paid – up shall not be deemed to fall under the same class.</p>	<b>Calls on shares of same class to be on uniform basis</b>
38.	Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.	<b>Partial payment not to preclude forfeiture</b>
39.	The provision of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	<b>Provisions as to calls to apply mutatis mutandis to debentures, etc.</b>
<b>TRANSFER OF SHARES</b>		
40.	<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>	<b>Instrument of transfer to be executed by transferor and transferee</b>
41.	<p>The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.</p> <p>The instrument of transfer shall be in a common form approved by the Exchange;</p> <p>That a common form of transfer shall be used.</p>	<b>Transfer Form.</b>
42.	<p>i.The Board may, subject to the right of appeal conferred by section 58 of the Act decline to register—</p> <p>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p>	<b>Board may refuse to register transfer</b>

	(b) any transfer of shares on which the Company has a lien. ii. That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever;	<b>Transfer not to be refused on ground of indebtedness</b>
43.	The Board may decline to authorize any instrument of transfer unless – (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under sub-section (1) of section 56 of the Act; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares.	<b>Board may decline to recognize instrument of transfer</b>
44.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	<b>No fee on transfer.</b>
45.	The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made there under close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	<b>Closure of Register of Members or debenture holder or other security holders.</b>
46.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	<b>Custody of transfer Deeds.</b>
47.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	<b>Application for transfer of partly paid shares.</b>
48.	On giving not less than seven days' previous notice in accordance with section 91 of the Act and Rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: 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.	<b>Provisions to apply on issue of Redeemable Preference Shares</b>
49.	The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	<b>Provisions as to transfer of shares to apply <i>mutatis mutandis</i> to debentures, etc.</b>

#### **NOMINATION AND TRANSMISSION OF SHARES**

50.	(i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination. (ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 (iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination. (iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.	<b>Nomination</b>
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51.	(1) 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 authorized by the Company as having any title to his interest in the shares. (2) Nothing in clause (1) 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.	<b>Title to shares on death of a member</b>  <b>Estate of deceased member liable</b>
52.	(1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either – (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made. (2) 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. (3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.	<b>Transmission Clause</b>  <b>Board's right unaffected</b>  <b>Indemnity to the Company</b>
53.	(1) 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. (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. (3) 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.	<b>Right to election of holder of share</b>  <b>Manner of testifying election</b>  <b>Limitations applicable to notice</b>
54.	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.	<b>Claimant to be entitled to same advantage</b>
55.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
56.	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
57.	The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	<b>Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc.</b>

#### **FORFEITURE OF SHARES**

58.	If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgment or decree in respect thereof remains unsatisfied	<b>If call or instalment not paid notice must be given</b>
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	in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.	
59.	The notice aforesaid shall: (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	<b>Form of Notice</b>
60.	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.	<b>In default of payment of shares to be forfeited</b>
61.	Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.	<b>Receipt of part amount or grant of indulgence not to affect forfeiture</b>
62.	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	<b>Entry of forfeiture in register of members</b>
63.	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.	<b>Effect of forfeiture</b>
64.	(1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. (2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	<b>Forfeited shares may be sold, etc.</b>
65.	(1) 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, and shall 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. (2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or authorized. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. (3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.	<b>Members still liable to pay money owing at the time of forfeiture</b> <b>Member still liable to pay money owing at time of forfeiture and interest</b> <b>Cessation of liability</b>
66.	(1) 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; (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; (3) The transferee shall thereupon be registered as the holder of the share; and	<b>Certificate of forfeiture</b> <b>Title of purchaser and transferee of forfeited shares</b> <b>Transferee to be</b>

		<b>registered as holder</b>
	(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.	<b>Transferee not affected</b>
67.	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.	<b>Validity of sales</b>
68.	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.	<b>Cancellation of share certificate in respect of forfeited shares</b>
69.	The Board may, subject to the provisions 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.	<b>Surrender of share certificates</b>
70.	The provisions of these Articles 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.	<b>Sums deemed to be calls</b>
71.	The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	<b>Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc.</b>
<b>ALTERATION OF CAPITAL</b>		
72.	Subject to the provisions of the Act, the Company may, by ordinary resolution – <ul style="list-style-type: none"> <li>(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;</li> <li>(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares: <p style="margin-left: 40px;">Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;</p> </li> <li>(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> <li>(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>(e) 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>	<b>Power to alter share capital</b>
73.	Where shares are converted into stock: <ul style="list-style-type: none"> <li>(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: <p style="margin-left: 40px;">Provided that the Board may, from time to time, fix the minimum</p> </li> </ul>	<b>Shares may be converted into stock</b>

	amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;	
	(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;	<b>Right of stockholders</b>
	(c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/ “member” shall include “stock” and “stock-holder” respectively.	
74.	The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules,  (a) its share capital; and/or (b) any capital redemption reserve account; and/or (c) any securities premium account; and/or (d) any other reserve in the nature of share capital.	<b>Reduction of capital</b>
75.	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles: (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share. (b) On the death of any one or more of 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. (c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share. (d) 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 the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders. e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof. (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 joint-holders.	<b>Joint-holders</b>  <b>Liability of Joint holders</b>  <b>Death of one or more joint-holders</b>  <b>Receipt of one sufficient</b>  <b>Delivery of certificate and giving of notice to first named holder</b>  <b>Vote of joint holders</b>  <b>Executors or administrators as joint-holders</b>
	(f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.	<b>Provisions as to joint holders as to shares to apply mutatis mutandis to debentures, etc.</b>
<b>CAPITALISATION OF PROFITS</b>		
76.	(1) The Company, in general meeting may, upon the recommendation of the Board, resolve —	<b>Capitalisation</b>

	(a) that it is desirable to authorized any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and	
	(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.	
	(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards :	<b>Sum how applied</b>
	(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;	
	(b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;	
	(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).	
	(d) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;	
	(e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.	
77.	1. Whenever such a resolution as aforesaid shall have been passed, the Board shall –	<b>Powers of the Board for capitalisation</b>
	(b) make all appropriations and applications of the amounts resolved to be authorized thereby, and all allotments and issues of fully paid shares or other securities, if any; and	
	(c) generally do all acts and things required to give effect thereto.	
	2. The Board shall have power—	<b>Board's power to issue fractional certificate/coupon etc.</b>
	(a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and	
	(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such authorized on, 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 authorized, of the amount or any part of the amounts remaining unpaid on their existing shares.	
	(3) Any agreement made under such authority shall be effective and binding on such members.	<b>Agreement binding on members</b>

#### **BORROWING POWERS**

78.	Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:	<b>Power to borrow.</b>
	(i) accept or renew deposits from Shareholders;	
	(ii) borrow money by way of issuance of Debentures;	
	(iii) borrow money otherwise than on Debentures;	
	(iv) accept deposits from Shareholders either in advance of calls or otherwise; and	
	(v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.	

Provided, however, that where the money to be borrowed together with the

	<p>money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.</p> <p>Provided further that the Board may delegate the power specified in (c) herein above (i.e. to borrow money otherwise than on debentures) to a committee constituted for the purpose.</p>	<b>Delegation of power to borrow</b>
79.	<p>Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.</p>	<b>Issue of discount etc. or with special privileges.</b>
80.	<p>The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or Company of any obligation undertaken by the Company or any person or Company as the case may be.</p>	<b>Securing payment or repayment of Moneys borrowed.</b>
81.	<p>Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.</p>	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
82.	<p>If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.</p>	<b>Mortgage of uncalled Capital.</b>
83.	<p>Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.</p>	<b>Indemnity may be given.</b>
<b>BUY-BACK OF SHARES</b>		
84.	<p>Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.</p>	<b>Buy-back of shares</b>
<b>GENERAL MEETINGS</b>		
85.	<p>All general meetings other than annual general meeting shall be called extraordinary general meeting.</p>	<b>Extraordinary general meeting</b>
86.	<p>(i) The Board may, whenever it thinks fit, call an extraordinary general</p>	<b>Powers of Board</b>

	meeting.	<b>to call extraordinary general meeting</b>
	(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.	
<b>PROCEEDINGS AT GENERAL MEETINGS</b>		
87.	(1) 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. (2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant. (3) The quorum for a general meeting shall be as provided in section 103 of the Act.	<b>Liability of Members. Business confined to election of Chairperson whilst chair vacant Quorum for general meeting</b>
88.	The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.	<b>Chairperson of the meetings</b>
89.	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>Directors to elect a Chairperson</b>
90.	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, by poll or electronically, choose one of their members to be Chairperson of the meeting.	<b>Members to elect a Chairperson</b>
91.	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	<b>Casting vote of Chairperson at general meeting</b>
92.	(1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. (2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting – (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company. (3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.	<b>Minutes of proceedings of meetings and resolutions passed by postal ballot</b> <b>Certain matters not to be included in Minutes</b>
	(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.	<b>Discretion of Chairperson in relation to Minutes</b> <b>Minutes to be evidence</b>
93.	1. The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: (a) be kept at the registered office of the Company; and (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays. 2. Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above: Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the	<b>Inspection of minute books of general meeting</b> <b>Members may obtain copy of minutes</b>

	period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.	
94.	The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.	<b>Powers to arrange security at meetings</b>
<b>ADJOURNMENT OF MEETING</b>		
95.	(1) 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.	<b>Chairperson may adjourn the meeting</b>
	(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.	<b>Business at adjourned meeting</b>
	(3) 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.	<b>Notice of adjourned meeting</b>
	(4) Save as aforesaid, and save 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.	<b>Notice of adjourned meeting not required</b>
<b>VOTING RIGHTS</b>		
96.	Subject to any rights or restrictions for the time being attached to any class or classes of shares – (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.	<b>Entitlement to vote on show of hands and on poll</b>
97.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.	<b>Voting through electronic means</b>
98.	(1) 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. (2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	<b>Vote of joint holders</b> <b>Seniority of names</b>
99.	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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.	<b>How members non compos mentis and minor may vote</b>
100.	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 duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members, etc.</b>
101.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.	<b>Business may proceed pending poll</b>
102.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.	<b>Restriction on voting rights</b>
103.	A member is not prohibited from exercising his voting on the ground that he	<b>Restriction on</b>



	has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.	<b>exercise of voting rights in other cases to be void</b>
104.	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.	<b>Equal rights of members</b>
<b>PROXY</b>		
105.	(1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.	<b>Member may vote in person or otherwise</b>
	(2) The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a authorize 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.	<b>Proxies when to be deposited</b>
106.	An instrument appointing a proxy shall be in the form as prescribed in the Rules made under section 105 of the Act.	<b>Form of proxy</b>
107.	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.	<b>Proxy to be valid notwithstanding death of the principal</b>
<b>BOARD OF DIRECTORS</b>		
108.	(1) The number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). The Company by a special resolution may increase the number of directors in compliance with the Act. (2) The following shall be the first directors of the Company (i) Mr. Narinder Singh Dhingra (ii) Mrs. Rohini Singh Dhingra (iii) Mrs. Manjit Kaur (3) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.	<b>Board of Directors</b>  <b>First Directors</b>  <b>Same individual may be Chairperson and Managing Director/ Chief Executive Officer</b>
109.	The Investor shall be entitled to nominate one (1) director on the Board of the Company and the Board of its Subsidiaries (“Investor Director”) and this Article shall be effective as long as the Investor continues to hold at least five percent (5%) of the Equity Share capital of the Company on a Fully Diluted basis.	<b>Appointment of director by Investor</b>
110.	Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.	<b>Directors not liable to retire by rotation</b>
111.	(1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.	<b>Remuneration of directors</b>
	(2) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or (b) in connection with the business of the Company.	<b>Travelling and other expenses</b>

112.	All cheques, promissory notes, drafts, <i>hundis</i> , 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.	<b>Execution of negotiable instruments</b>
113.	(1) Subject to the provisions of section 149 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.	<b>Appointment of additional directors</b>
	(2) 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.	<b>Duration of office of additional director</b>
114.	(1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.	<b>Appointment of alternate director</b>
	(2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.	<b>Duration of office of alternate director</b>
	(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.	<b>Re-appointment provisions applicable to Original Director</b>
115.	(1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the Articles of the Company, be filled by the Board of Directors at a meeting of the Board.	<b>Appointment of director to fill a casual vacancy</b>
	(2) Provided, that the director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.	<b>Duration of office of Director appointed to fill casual vacancy</b>

#### **POWERS OF BOARD**

116.	The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.	<b>General powers of the Company vested in Board</b>
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#### **PROCEEDINGS OF THE BOARD**

117.	(1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.	<b>When meeting to be convened</b>
	(2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.	<b>Who may summon Board meeting</b>
	(3) The quorum for a Board meeting shall be as provided in the Act.	<b>Quorum for Board meetings</b>
	(4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under	<b>Participation at Board meetings</b>

	law.	
118.	(1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	<b>Questions at Board meeting how decided Casting vote of Chairperson at Board meeting</b>
119.	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.	<b>Directors not to act when number falls below minimum</b>
120.	(1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (2) 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.	<b>Who to preside at meetings of the Board Directors to elect a Chairperson</b>
121.	(1) 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. (2) 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. (3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	<b>Delegation of powers Committee to conform to Board regulations Participation at Committee meetings</b>
122.	(1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee. (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	<b>Chairperson of Committee Who to preside at meetings of Committee</b>
123.	(1) A Committee may meet and adjourn as it thinks fit. (2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present. (3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.	<b>Committee to meet Questions at Committee meeting how decided Casting vote of Chairperson at Committee meeting</b>
124.	All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	<b>Acts of Board or Committee valid notwithstanding defect of appointment</b>
125.	Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.	<b>Passing of resolution by circulation</b>

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**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

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126.	<p>(a) Subject to the provisions of the Act,— Every whole-time key managerial personnel of the Company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. Whole-time key managerial personnel of the Company so appointed may be removed in pursuance to the applicable provisions of the Act.</p> <p>(b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p>	<p><b>Chief Executive Officer, etc.</b></p> <p><b>Director may be chief executive officer, etc.</b></p>
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**REGISTERS**

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127.	<p>The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.</p>	<p><b>Statutory registers</b></p>
128.	<p>(a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.</p> <p>(b) The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, <i>mutatis mutandis</i>, as is applicable to the register of members.</p>	<p><b>Foreign register</b></p>

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**THE SEAL**

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129.	<p>(1) The Board shall provide for the safe custody of the seal.</p> <p>(2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of one director and such director shall sign every instrument to which the seal of the Company is so affixed .</p>	<p><b>The seal, its custody and use</b></p> <p><b>Affixation of seal</b></p>
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**DIVIDENDS AND RESERVE**

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130.	<p>The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.</p>	<p><b>Company in general meeting may declare dividends</b></p>
131.	<p>Subject to the provisions of section 123 of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.</p>	<p><b>Interim dividends</b></p>
132.	<p>(1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for authorized 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>(2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<p><b>Dividends only to be paid out of profits.</b></p> <p><b>Carry forward of profits</b></p>

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133.	(1) 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. (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. (3) 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.	<b>Division of profits</b>  <b>Payments in advance</b>  <b>Dividends to be apportioned</b>
134.	(1) 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.  (2) 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. (3) That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law;	<b>No member to receive dividend whilst indebted to the Company and Company's right to reimbursement there from</b>  <b>Retention of dividends</b>  <b>Forfeiture of unclaimed dividend</b>
135.	(1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. (2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. (3) 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.	<b>Dividend how remitted</b>    <b>Instrument of payment Discharge to Company</b>
136.	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.	<b>Receipt of one holder sufficient</b>
137.	No dividend shall bear interest against the Company.	<b>No interest on dividends</b>
138.	The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	<b>Waiver of dividends</b>
<b>ACCOUNTS</b>		
139.	(1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules. (2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board or by the Company in a general meeting.	<b>Inspection by Directors</b>  <b>Restriction on inspection by members</b>

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### WINDING UP

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140.	Subject to the applicable provisions of Chapter XX of the Act and the Rules made there under - (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	<b>Winding up of Company</b>
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### INDEMNITY AND INSURANCE

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141.	(a) Subject to the provisions of the Act, every officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such officer or in any way in the discharge of his duties in such capacity including expenses. (b) Subject as aforesaid, every officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court. (c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.	<b>Directors and officers right to indemnity</b>  <b>Insurance</b>
142.	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors 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 contained.	<b>Secrecy</b>
143.	The Company shall permit any Person designated by the Investor (“Designated Persons”) to discuss the affairs, finances and accounts of Company with their officers and other principal executives at such time as may reasonably be requested, and all books, records, accounts, documents and vouchers relating to the business and the affairs of Company including any project of Company, shall at such time be open to the inspection of any such Person, who may make such copies thereof or extracts there from as such Person may deem appropriate. The Investor will also have complete access to the statutory and internal auditors of the Company for inspection of books of accounts or resolution of any queries that the Investor may have. The Company shall make necessary arrangements for the Designated Persons to visit a project site upon receipt of reasonable notice from Investor. Provided that the Investor shall and shall ensure that the Designated Persons shall maintain all information and	<b>Access to property information etc.</b>

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documents received pursuant to this Article 143 in strict confidence

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**GENERAL POWER**

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| 144. | Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided. | <b>General power</b> |
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**Part II**

Part II of these Articles include all the rights and obligations of the parties to the Share Subscription Agreement and Shareholders' Agreement dated March 12, 2008 (the "Original Agreements"), as amended by the Amendment Agreement to the Original Agreements dated November 07, 2008, June 30, 2009, June 30, 2010 and March 31, 2011, February 13, 2015(the "Amendment Agreements"), entered into between the Investor, Promoters, Promoter Group and the Company.

It is clarified that the matters listed in Part II of these Articles are in addition to all other rights that the Investor (as defined below) has as a shareholder of the Company under Part I of these Articles and under applicable law.

This Part II of Article of Association shall terminate and shall be deemed to fall away without any further action immediately on the commencement of listing and trading of the equity shares of the Company on any stock exchanges in India pursuant to an IPO (as defined below) in accordance with the applicable laws.

Sr. No	Particulars	Marginal Notes
1.	Unless the context otherwise requires, words expression contained in this Articles shall bear the same meaning as in the Act and the Companies Act, 1956 to the extent such provisions have not been repealed.	<b>Interpretation</b>
	a) "Act" or "Companies Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article and any previous company law, so far as may be applicable.	
	b) "Affiliate" means (i) with respect to any legal entity, another entity that, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such entity; and (ii) with respect to any natural Person, any of his or her Associates.	
	c) "Applicable Law" shall mean any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, judgment, decree, injunction, or any interpretation, determination, award, permit, license, authorization, directive, ruling or decision of, agreement with, or by a Governmental Authority.	
	d) "Article" mean the articles of association as originally framed or as altered by a special resolution at a general meeting from time to time.	
	e) "Audited Net Profit After Tax" mean business earnings of the Company in the Financial Year but will exclude any non business related onetime gains / losses or gains / losses from extraordinary events and windfall gains /losses etc. including gains from treasury activity and interest income.	
	f) "Board" means board of directors of the Company.	
	g) "Brand Licensing Agreement" means the brand licensing agreement dated August 1, 2010 between the Company and Lerros India Fashion Limited pursuant to which the Company has obtained an exclusive and non-transferable right and license to use various service marks, trademarks and styles (including distinctive logos, design, décor and copyrighted materials) and goodwill attached thereto of Lerros Modern GmbH.	
	h) "Business" has the meaning given to it in Article 17.	
	i) "Business Day" means any day of the year, other than Saturdays and Sundays and any other days on which banks in New Delhi are closed for business.	

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Sr. No	Particulars	Marginal Notes
j)	“Business Plan” means the business plan of the Company, which will form the basis of management and business strategy of the Company to be prepared in accordance with Article 18.	
k)	“Chairman” means the Chairman of the Board nominated by the Promoters of the Company.	
l)	“Company” means Numero Uno Clothing Limited.	
m)	“Control” means (i) when used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Securities, by contract or otherwise, and (ii) when used with respect to any Security, the possession, directly or indirectly, or the power to vote, or to direct the voting of, such Security or the power to dispose of, or to direct the disposition of, such Security.	
n)	“Claim” means a written notice asserting a breach of a representation, warranty or covenant specified which shall reasonably set forth, in light of the information then known to the party giving such notice, a description of the basis of such claim and an estimate (if then reasonable to make) of the amount involved in such breach.	
o)	“Closing” shall have the meaning as given to it in the Share Subscription Agreement	
p)	“Closing Date” means March 26, 2008.	
q)	“Competitor” means any Person who is substantially, either itself or through its Affiliate, engaged in the business of designing, manufacturing marketing and outsourcing of made to wear apparels.	
r)	“Damages” shall mean all actual claims, demands, actions, assessments by a Governmental Authority, losses, investigations, proceedings, damages, penalties, fines, costs, payments, expenses and judgments, including interest and penalties and reasonable attorneys’ fees, disbursements and expenses but excluding any indirect or remote losses or any loss of profit or opportunities or punitive damages.	
s)	“Deed of Adherence” means a deed of adherence in a form as set out in Schedule to Shareholders’ Agreement.	
t)	“Director” means a director on the Board for the time being.	
u)	“Dispute Resolution” shall have the meaning given to it in Article 144.	
v)	“Drag-Along Right” shall have the meaning given to it in Article 122.	
w)	“Equity Shares” or “Shares” means fully paid-up equity shares of the Company having a face value of ₹ 10/- (Rupees Ten only) per share.	
x)	“Escrow Agreement” means the Escrow Agreement executed between the Investor, Promoters, Promoter Group, the Company and the Escrow Agent (A.R.A. Law) on November 7, 2008.	
y)	“Exit Value” shall have the meaning given to it in Article 119.	
z)	“Fully Diluted” means with respect to Securities, all outstanding equity shares and all Securities issuable in respect of, Securities convertible into or exchangeable for equity shares, stock appreciation rights or options, warrants and other irrevocable rights to purchase or subscribe for equity shares or securities convertible into or exchangeable into equity shares.	
aa)	“Financial Year” means the financial year being the twelve (12) month period commencing from April 1 in a year to March 31 of the immediately succeeding year.	
bb)	“Governmental Authority” means any administrative agency, commission, court or other governmental or regulatory authority or instrumentality, whether central, state, local or municipal or judicial, quasi-judicial or administrative forum, whether in India or outside India, including but not limited to, ministries and departments of the Government of India and Tax authorities.	
cc)	“Indian GAAP” means the generally accepted accounting principles recommended by the Institute of Chartered Accountants of India and where there are no such principles recommended, the accounting principles accepted in India and consistently applied from period to period and throughout any period in	



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	accordance with past practices of Company.	
dd)	“Initial Public Offering” shall have the meaning given to it in Article 115.	
ee)	“Investment Amount” shall mean the Subscription Amount and the Option Price.	
ff)	“Investor” means AA Development Capital India Fund 1, LLC.	
gg)	“Investor Director” shall have the meaning given to it in Article 36.	
hh)	“Investor Shares” shall mean collectively the Subscription Shares, the Investor Options and the Shares issued or transferred upon exercise of the Option Shares.	
ii)	“Liquidation” shall have the meaning given to it in Article 126.	
jj)	“Liquidity IPO” shall have the meaning given to it in Article 117.	
kk)	“Material Contracts” means any contract, agreement or commitment to which the Company is a party (i) with expected receipts or expenditures in excess of INR 20 million; (ii) pursuant to which the Company (a) acquires any right, title or interest in, under or to any intellectual property rights, other than standardized nonexclusive licenses which were obtained by Company in the Ordinary Course of Business or (b) granted any third Person any option, right of first refusal, right of first negotiation, other right, interest or license or any covenant not to assert any interest other than in the Ordinary Course of Business; (iii) requiring the Company to indemnify any Person; (iv) creating or relating to any partnership, collaboration, joint venture, alliance, cooperation or any sharing of revenues, profits, losses, costs or liabilities; (v) under which any Governmental Authority has any rights or obligations, or involving or benefiting any Governmental Authority; (vi) which, if breached by the Company, would (A) permit any other party to cancel or terminate the same (with or without notice of passage of time); (B) provide a basis for any other party to claim Damages from the Company; or (C) give rise to a right of acceleration of any obligation or loss of any benefit under such contract; and (vii) sharing of Company resources or equipments, (viii) discount or other profit sharing arrangements or sharing of confidential information of the Company.	
ll)	“Material Adverse Effect” means the occurrence or reasonably likely occurrence of any event, change, circumstance or effect that individually or in the aggregate (taking into account all other such events, changes, circumstances or effects), is or is reasonably likely to (A) have a material adverse effect to the financial conditions, properties, assets (including intangible assets), liabilities, business, operations, results of operations or prospects of Company, or (B) materially hinder or delay Company’s ability to consummate the transactions contemplated herein, or (C) materially hinder Company’s ability to operate its business substantially in the manner previously conducted.	
mm)	“NUBL” shall mean Numero Uno Brands Limited.	
nn)	“NUBL Business” shall mean NUBL’s business of designing, manufacturing, packaging, labelling, barcoding and supplying of readymade garments, shoes, innerwear, accessories, perfumes and other apparel products based on orders placed by the Company and any other third parties for domestic sales within India or exports.	
oo)	“NUBL SHA” shall mean the Share Subscription and Shareholders’ Agreement dated March 31, 2011 amongst the Company, NUBL, Promoter 1 and others governing the rights, responsibilities and obligations of the parties therein.	
pp)	“Option Price” shall mean sum of upto ₹ 90,000,000 (Rupees Ninety Million Only) payable by the Investor on exercising the Investor Option.	
qq)	“Option Shares” shall mean the Shares of the Company issued and allotted or transferred to the Investor on exercise of the Investor Option in accordance with the terms of the Shareholders’ Agreement, the Share Subscription Agreement, Escrow Agreement and the Amendment Agreement.	
rr)	“Ordinary Course of Business” mean the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency) with which the business of the Company has been conducted, to the extent consistent with Applicable Law.	
ss)	“Original Director” shall have the meaning given to it in Article 38.	
tt)	“Parties” shall mean the Company, the Investor and the Promoter Group	

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	<p>collectively, and "Party" means any one of them individually.</p> <p>uu) "Person" means a human being, labor organization, partnership, association, joint venture, corporation, limited liability company, legal representative, trustee, in bankruptcy, receiver or any other legal entity whatsoever.</p> <p>vv) "Promoter 1" means Mr. Narinder Singh Dhingra.</p> <p>ww) "Promoter 2" means Mrs. Rohini Singh Dhingra.</p> <p>xx) "Promoter Group" means Mr. Narinder Singh Dhingra, Mrs. Rohini Singh Dhingra, Mr. Iqbal Singh Dhingra, and Mrs. Manjit Kaur Dhingra</p> <p>yy) "Relative" with respect to a subject Person shall have the same meaning ascribed to it under the Act.</p> <p>zz) "Rupee" or "₹" means the lawful currency of India.</p> <p>aaa) "SEBI" means the Securities and Exchange Board of India.</p> <p>bbb) "Seal" means the common seal for the time being of the Company.</p> <p>ccc) "Securities" shall have the meaning ascribed to the term under Section 2(h) of the Securities Contract (Regulation) Act, 1956.</p> <p>ddd) "Selling Shareholder" shall have the meaning given to it in Article 27.</p> <p>eee) "Shares" means the fully paid-up equity shares in the share capital of the Company.</p> <p>fff) "Shareholders" mean collectively the Investor, Promoter Group and other shareholders of the Company as indicated in its Register of Members, and "Shareholder" shall mean any one of them individually.</p> <p>ggg) "Share Subscription Agreement" shall mean the share subscription agreement dated March 12, 2008 executed between the Parties.</p> <p>hhh) "Shareholders Agreement" shall mean the shareholders' agreement dated March 12, 2008 executed between the Parties.</p> <p>iii) "Specified Matters" shall mean any of the matters listed in Article 65.</p> <p>jjj) "Subscription Shares" means the 2,347,000 fully paid up equity shares of the Company, constituting twenty five point one one (25.11%) of the issued and paid up share capital of the Company on Fully Diluted basis.</p> <p>kkk) "Subscription Amount" means an amount of ₹ 350,001,000 (Rupees Three Hundred and Fifty Million and One Thousand Only) payable by the Investor for acquisition of the Subscription Shares and the Option Shares.</p> <p>lll) "Subsidiary" shall mean with respect to the Company, a subsidiary within the meaning of the Act.</p> <p>mmm) "Tag Along Sale" shall have the meaning given to it in Article 27.</p> <p>nnn) "Transfer" mean (in either the noun or the verb form including, with respect to the verb form, all conjugations thereof within their correlative meanings) with respect to any Shares, the sale, creation of lien or other disposition (whether for or without consideration or, whether directly or indirectly) of any such Shares or any interest therein.</p> <p>ooo) "Tribunal" shall have the meaning given to it in Article 145.</p> <p>ppp) "Ultimate Exit Option" shall have the meaning given to it in Article 120.</p> <p>qqq) Words imparting the singular shall include the plural and vice versa, words imparting the masculine gender shall include the feminine gender and words imparting Persons shall include bodies corporate and all other Persons recognized by law as such.</p> <p>rrr) "month" and "year" means a calendar month and a calendar year respectively.</p>	
2.	If any provisions of the Articles at any time conflicts with any provision of the Original Agreements, the Shareholders shall take necessary steps to procure the amendment of the relevant provision of the Articles to the extent necessary to permit the Company and its affairs to be administered as provided in the Original Agreements.	<b>Inconsistency with the Original Agreements</b>
3.	The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.	<b>Table 'F'</b>
4.	Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the	<b>General Authority</b>

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	Company is so authorized by its Articles, then and in that case, by virtue of this general authority, the Company is hereby specifically authorized, empowered and entitled to have such right, privilege or authority, to carry out such transactions as have been permitted by the Companies Act, without there being any separate regulations in that behalf herein provided save to the extent there are any restrictions contained in these Articles.	
<b>SHARE CAPITAL</b>		
5.	(1)The authorised share capital of the Company shall be such as given in the Clauses V of the Memorandum of Association or altered from time to time, thereat payable in the manner as may be determined by the Board, with power to increase, reduce, subdivide or to repay the same or to divide the same into several classes and to attach thereto any rights and to consolidate or sub- divide or re-organize the shares and subject to the provisions of the Act, to vary such rights as may be determined in accordance with the regulations of the Company, (2)The Company may in General Meeting from time to time by Ordinary Resolution alter its memorandum to (a) increase its authorised share capital by such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares (c) sub-divide its shares, or any of them, into shares of smaller amount	<b>Share Capital</b>  <b>Alteration of share capital</b>
6.	The Company shall have the power to issue preference shares carrying the right to redemption out of profits which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of such redemption, or liable to be redeemed at the option of the Company and the Board may, subject to the provisions of Section55 of the Act exercise such powers in such manner as it thinks fit.	<b>Redeemable preference shares</b>
7.	Subject to the provisions of the Act and these Articles, the shares shall be under the control of the Board who may allot or otherwise dispose of the same on such terms and conditions, and at such time as the Board may think fit and with power to issue any shares as fully paid up in consideration, of services rendered to the Company in its ,formation or otherwise, provided that where the Board decides to increase the issued capital of the Company by the issue of further shares, the provisions of Section 62 of the Act will be complied with, Provided further 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.	<b>Allotment of Shares</b>
8.	Subject to the provisions of the Act, the Company shall be entitled to issue sweat equity shares.	<b>Issue of Sweat Shares</b>
9.	The Company may, subject to compliance with the provisions of Section 40 of the Act, exercise the powers of paying commission on the issue of shares or debentures, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be in accordance with and disclosed in the manner required by the Companies Act. The commission may be paid or satisfied in cash or by allotment of fully or partly paid shares, debentures or debenture stock of the Company.	<b>Commission for placing shares</b>
10.	Subject to section 89 of the Act, the Company shall be entitled to treat the registered holder of any shares as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognize any trust, benami or equitable or other claim to or interest in such shares or any fractional part of a share whether or not it shall have express or other notice thereof.	<b>Trusts not recognized</b>
11.	The Subscription Shares issued and allotted to the Investors shall have the rights and benefits set forth in the Original Agreements and the Amendment Agreements and these Articles.	
<b>ISSUE AND SUBSCRIPTION</b>		
12.	The aggregate amount paid by the Investor for acquisition of the Subscription Shares is ₹ 35,00,01,000 (Rupees thirty Five Crore One Thousand	<b>Investment Amount</b>

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	Only)(“Subscription Amount”). The Subscription Amount shall be referred to as the “Investment Amount”. Investment Amount shall be paid by the Investor as: <ul style="list-style-type: none"> <li>▪ An amount aggregating to ₹ 350,000,000 (Rupees Three Hundred and Fifty Million) for all of the Subscription Shares;</li> </ul>	
<b>FURTHER ISSUE OF SHARES</b>		
13.	The Investor shall have the right, prior to an IPO, but not the obligation, to subscribe to 600,000 equity shares of the Company for an amount aggregating to ₹ 900 lacs (Rupees Nine hundred lacs) (“Investor Option”);	<b>Further Issue</b>
14.	The Investor shall have the right to subscribe for any fresh issue of Equity Shares or other preference or equity-related by the Company, except any securities issued pursuant to a Qualified IPO, any ESOP or any investment by a third party investor within the period, in proportion to its then existing percentage of shareholding in the Company on a Fully Diluted basis. In the event the other shareholders of the Company do not subscribe for a fresh issue of Equity Shares or other preference or equity-related by the Company, the Investor shall have the right to subscribe for such additional number of Equity Shares or other preference or equity-related which are not being subscribed to by the other shareholders on a pro rata basis, in proportion to its then existing shareholding in the Company on a Fully Diluted basis.	<b>Fresh Issue</b>
15.	Notwithstanding any other provisions of these Articles prior written consent of the Investors shall be required for the Company to make any new issuance of Securities on terms which are more favourable as compared with those provided to the Investors. Provided that where the Investor consents to such issuance, the Company shall not offer any rights to such Person which will in any way conflict with the rights of the Investor. It is further expressly agreed that in the event any Person who invests in the Company is offered rights, including those relating to voting, dividends, Liquidation Preference, transfer of Shares, and further issues of Shares, that are more favourable to such Person than those offered to the Investor, the Investor shall have the right to require the Promoters and the Company, and the Promoters and the Company shall ensure that the Investor is entitled to enjoy any and all such rights offered to such other Person, and the Shareholders agree to execute all such documents as are necessary to offer such additional rights to the Investor.	<b>Anti-Dilution Rights</b>
16.	(1) The Company, in general meeting may, upon the recommendation of the Board, resolve that it is desirable to authorized 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 that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards : (a) paying up any amounts for the time being unpaid on any shares held by such members respectively; (b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b). (d) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;	<b>Capitalisation of profits</b>
<b>BUSINESS</b>		
17.	The Business of the Company shall be the business of (i) designing; manufacturing and marketing of made to wear apparels, for men, women and children; (ii)	<b>Business</b>

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	designing, outsourcing and marketing of personal wear products like shoes, belts and other fashion wear products and (iii) new business(es) added from time to time (the “ <b>Business</b> ”).	
<b>BUSINESS PLAN</b>		
18.	Subject to the Shareholders Agreement, the Business Plan shall comprise of the budget (prepared annually), and specify amongst other things, an operating performance budget, capital expenditures and borrowing details, required working capital financing, revenue, maintenance costs, labor costs, and general and administrative expenses of the Company and its subsidiary/ies.	<b>Business Plan</b>
19.	The Business Plan may be modified in a manner that may be mutually agreed to between the Parties. Thereafter the Business Plan shall be updated on an annual basis.	<b>Modified Business Plan</b>
20.	The Business Plan for the Financial Year shall be prepared at least 60 (sixty) days prior to the close of the current Financial Year and presented to the Board for approval, subject to the provisions of Article 65 (Consent Rights) of this Articles.	
<b>CERTIFICATES</b>		
21.	The certificate to title or shares shall be issued under the seal of the Company.	<b>Certificate</b>
22.	Every member shall be entitled free of charge to one or more certificates in marketable lot, for all the shares of each class registered in his name or, if any member so wishes, to several certificates each for one or more of such shares (upon paying such fee as the Board may from time to time determine) Unless the conditions of issue of any shares otherwise provide, the Company shall either within two months after the date of allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in case of issue of bonus shares) or within one month of receipt of the application for registration of the transfer, transmission , sub division, consolidation, renewal or exchange of any of its shares as the case may be, complete and have ready for delivery the certificates of such shares. Every certificate of shares shall specify the name of the person in whose favour the certificate is issued the shares to which it relates and the amount paid up thereon. Particulars of every certificate issued shall be entered in the register maintained in the form set out in the Act.	<b>Member's right to certificate</b>
23.	If any certificate of any shares or shares be surrendered to the Company for subdivision or consolidation or if any certificate be defaced, mutilated, torn or old, decrepit, worn-out or where the pages on the reverse for recording transfer have been duly utilized, then up. on production and surrender thereof to the Company, the Board may order the same to be cancelled and may issue new certificate in lieu thereof and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Board and on such indemnity as the Board think fit being given a new certificate in lieu thereof shall be given to party entitled to the shares of such lost or destroyed certificate relates. Where a new certificate has been issued as aforesaid it shall state on the face of it and against the stub or counterfoil that it is issued in lieu of a share certificate or is a duplicate issued for the one so replaced and, in the case certificate issued in place of one which has been lost or destroyed the word 'duplicate' shall be stamped or punched in bold letters across the face thereof. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board and provided that for every certificate issued under these Articles there shall be paid to the Company such out of pocket expenses incurred by the Company in investigating evidence as the Board may determine.	<b>As to Issue of new certificates</b>
24.	No fee shall be charged for sub-division and consolidation of share / debenture certificates and for Sub-division of letters of allotment and split consolidation. Renewal and pucca transfer receipts into denominations corresponding to the market units of trading, for sub -division of renounceable letters of rights for issue of new certificate in replacement of those which are old or mutilated decrepit or worn out or where the pages - on the reverse for recording transfers have been fully utilized. Provided that the Company may charge such fees as may	<b>Fee on subdivision on shares Issue of new certificates etc.</b>

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	be agreed by it with the Stock Exchange with which its shares may be listed for the time being for issue of new certificate in replacement of those that are torn defaced, lost or destroyed and for sub-division and consolidation of share and debenture certificates and for sub-division of letter of allotment and split consolidation, renewal and pucca transfer receipts into denominations other than those fixed for the market units of trading.	
<b>JOINT –HOLDERS OF SHARES</b>		
25.	<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 benefit of survivorship subject to the following provisions and to the other provisions of these Articles relating to joint holders</p> <p>(a) The Company shall not be bound to register more than four persons as the joint holders of any Share/shares.</p> <p>(b) The joint holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such shares.</p> <p>(c) On the death of anyone of such joint-holders the survivor or survivors shall be the only person recognised by the Company as having any title to or interest in such share but the Board may require such evidence of death as it may deem fit.</p> <p>(d) Only the person whose name stands first in the Register as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such shares</p>	<p><b>Maximum Number Liability several as well as joint</b></p> <p><b>Survivors of joint-holders Only recognized Delivery of Certificates</b></p>
<b>TRANSFER OBLIGATIONS AND RESTRICTIONS</b>		
26.	<p>i. Save and except to the extent of five percent (5%) of the Equity Share capital of the Company (467,340 Equity Shares), after the Closing Date, the Promoters shall not and shall ensure that the Promoter Group shall not be permitted, and shall not agree to do any of the following except (a) if required under these Articles, or (b) with the prior written consent of Investor:</p> <p>a) Transfer or exchange, separately or jointly, to any Person any Equity Shares or voting rights or Securities, such that would result in a direct or indirect transfer of shareholding of Company to any third party;</p> <p>b) Transfer or exchange, separately or jointly, to any Person such number of Equity Shares or voting rights or Securities, such that would result in a direct or indirect transfer of ownership or control of Company to a third party;</p> <p>c) Pledge, mortgage, charge or otherwise encumber any Equity Share or any interest in any Equity Share or Securities of the Company;</p> <p>d) Grant an option over any Equity Share or any interest in any Equity Share or Securities; or</p> <p>e) Enter into any agreement in respect of the votes attached to any Equity Share or Securities.</p>	<b>Restrictions on Transfer</b>
27.	<p>i. Subject to Article 26, in the event that the Promoter Group or any of them (the “Selling Shareholder”), directly or indirectly, at any time, proposes to enter into an agreement to transfer any of their Securities (“Offer Shares”) of the Company to any third party (a “Tag Along Sale”), then the Investor shall have the right, but not the obligation, to participate in such Tag Along Sale in proportion to their total shareholding in the Company. Provided that in the event the Offer Shares constitute more than 50% of the Promoters’ Shares in the Company as a result of which the Promoters cease to exercise management control in the Company, the Investor will have a right to sell its entire shareholding to such third party in such Tag Along Sale at the same price per Share and on the same terms and conditions as the Selling Shareholder.</p> <p>ii. The Selling Shareholder shall not consummate a Tag Along Sale unless:</p> <p>a) The Selling Shareholder first obtains a bona-fide written offer (“Outside Offer”) from the proposed third party purchaser (“Transferee”) to purchase the Offer Shares and provide a copy of the same to Investor within seven (7) days of receiving the Outside Offer. The Outside Offer</p>	<b>Investor’s Tag Along Rights</b>

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	<p>shall: (i) clearly indicate the identity of the Transferee, (ii) clearly state the price per share offered, (iii) clearly state the material terms and conditions of the Tag Along Sale, and (iv) contain a specific undertaking from the Transferee that the Transferee shall purchase from the Investor such number of Investor Shares as may be offered for sale by them.</p> <p>b) The Tag Along Sale right may be exercised by the Investor for all or part of their Investor Shares by delivery of a written notice to the Selling Shareholder and the Transferee (the “Tag Along Notice”) no later than thirty (30) days from the date of receiving copy of the Outside Offer.</p> <p>c) In the event there has been a timely election by the Investor to exercise its tag along rights, then the Selling Shareholder shall arrange for the consideration to be paid by the proposed Transferee directly to the Investor upon delivery by the Investor of all the Investor Shares being sold.</p> <p>d) In the event that the Investor refuses to exercise its tag along rights hereunder, the Investor shall send a written communication in respect thereof within thirty (30) days of receiving the Outside Offer (“Refusal Letter”). Upon receipt of the Refusal Letter/or if the Refusal letter is not received within thirty (30) days, the Selling Shareholder shall be entitled to sell the Offer Shares on the same terms as stipulated in the Outside Offer within a period of thirty (30) days of Refusal Notice (“Sale Period”). Any such Transferee, prior to completion of transfer of Equity Shares of the Company, shall execute a Deed of Adherence.</p> <p>e) The Selling Shareholder shall not Transfer any Equity Shares on terms other than as stipulated in the Outside Offer or Transfer any Equity Shares after the expiry of the Sale Period without again giving notice to the Investor of the proposed transfer and complying with the requirements of Article 26 to Article 33.</p>	
28.	<p>i. If the Board proposes to issue any fresh Equity Shares or any instrument convertible to Equity Shares to any third party (“Third Party Purchaser”), the Investor shall have a right of first refusal in respect of any such fresh issue of Shares by the Company, on a pro-rated basis upon its proportionate shareholding in the issued and paid-up share capital of the Company on a Fully Diluted basis and on the same terms and conditions as those offered to the Third Party Purchaser. In the event the Third Party Investor is a strategic investor, such issue shall, in the opinion of all Shareholders of the Company be value accretive and shall not be on terms which are more favourable than those offered to the Investor.</p> <p>ii. The Company shall provide the Investors with a written notice of its intent to execute such an issue. The notice shall contain the number of Shares proposed to be issued by the Company and the price at which the same are proposed to be issued to the Third Party Purchaser. Within twenty-one (21) days of the issuance of this notice, the Investor may either in-principle elect to subscribe to all or part of such Shares, by itself or through its Affiliates from the Company on the terms and conditions specified in such notice or elect not to subscribe to such Shares.</p> <p>iii. In the event that the Investor declines to subscribe or there has not been a timely election for subscription of Shares by the Investor within 21 (twenty-one) days from the date of the notice, then the Company may, without any further obligation, effect the issue of fresh Shares to the Third Party Purchaser on such terms and conditions included in, and at a price not less than the price stated in the notice.</p>	<i>Investor’s Pre-emptive Rights</i>
29.	The Investor shall not sell the Investor Shares to a Competitor, other than at its option to pursue sale of Investor Shares under Article 115 (Initial Public Offering), Article 117 (Liquidity IPO) or Article 122 (Drag-Along Right).	<i>Sale to Financial Investor</i>
30.	Notwithstanding anything contrary contained in these Articles, in the event of	<i>Ratchet Rights</i>

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	Company issuing additional Shares at a price less than that paid by Investor under these Articles after adjusting for splits/bonuses if any, the Investor will be entitled to instruct the Company and receive such additional number of Equity Shares issued at nominal value to the Investor (or its nominees) to ensure that the equity valuation of Investor in the Company after such issue and/or transfer is the same as the new equity valuation of the Company.	
31.	<p>i. For the purpose of a Initial Public Offering, the Promoters shall offer their Shares for restriction on transfer and lock-in as applicable to promoters shares under the guidelines of SEBI or any other statutory or regulatory authority from time to time, whether in India and/or outside India and subject to SEBI guidelines, shall ensure that the Shares held by the Investor shall not be subject to any such restriction under the “promoter category”.</p> <p>ii. Subject to the Applicable Laws including SEBI guidelines issued from time to time, the Investor shall not be deemed and/or construed and/or referred to in any context and/or mentioned in any context to be a “promoter” or “person acting in concert” of Company in connection with any Initial Public Offering, and accordingly, various requirements and regulations applicable to “promoters” (including requirements in connection with “lock-in” period applicable to the shares) prescribed by Applicable Laws and guidelines in connection with public offerings shall apply only to the Promoter and not to the Investor.</p>	<b><i>Lock-in</i></b>
32.	The Company shall refuse to register any transfer or other disposition of Securities purported to be made by the Promoters or any member of the Promoter Group in breach of any of the provisions herein contained. The Company, Promoters and the Investor shall cause their nominees on the Board to cast their votes in such a manner as to ensure that the Company registers all transfers made in accordance with these Articles.	<b><i>Invalid Transfers</i></b>
33.	<p>In every case of Transfer of Securities by the Promoters/Promoter Group or the Investor to any Person, the Promoters/Promoter Group or the Investor, as the case may be, shall ensure before transferring its Securities that:</p> <p>i. Such purchaser shall be bound by the obligations of the Promoters/Promoter Group or the Investor, as the case may be, under these Articles. Until compliance by such purchaser, the obligations of the Promoters/Promoter Group or the Investor, as the case may be, under these Articles shall not cease. Any such purchaser or transferee of the Securities shall, ipso facto, by virtue of its being such a purchaser/transferee be automatically bound by the obligations of the Promoters or the Investor, as the case may be, to these Articles.</p> <p>ii. Prior to the acquisition of Securities from the Promoters/Promoter Group or the Investor, as the case may be, the purchaser of Securities shall execute a Deed of Adherence. If the purchaser fails to or refuses to sign the said Deed of Adherence, the Promoters/Promoter Group or the Investor, as the case may be, shall not be entitled to Transfer any Securities to the purchaser and any Transfer not in accordance with this Article 33 shall be null and void.</p>	<b><i>Deed of Adherence</i></b>
<b><i>TRANSMISSION OF SHARES</i></b>		
34.	<p>i. On the death of a member, the survivor or survivors where the member was a joint holder and his legal representative where he was a sole holder shall be the only Person recognised by the Company as having any title to his interest in the shares.</p> <p>ii. Nothing in clause (1) 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> <p>iii. 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>	



Sr. No	Particulars	Marginal Notes
	<ul style="list-style-type: none"> <li>a) to be registered himself as holder of the share; or</li> <li>b) to make such transfer of the shares as the deceased or insolvent member could have made.</li> </ul>	
iv.	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 himself transferred the share before his death or insolvency.	
v.	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.	
a)	If the Person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.	
b)	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 of transfer were a transfer signed by that member.	
vi.	<p>On the transfer of the share being registered in his name 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 was the registered holder of the share and 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 within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of the share, until the requirements of the notice have been complied with.</p>	
vii.	Where the Company has knowledge through any of its principal officers within the meaning of Section 2 of the Estate Duty Act, 1953 of the death of any member or of debenture holder in the Company, it shall furnish to the controller within the meaning of such section, the prescribed particulars in accordance with that Act and the rules made thereunder and it shall not be lawful for the Company to register the transfer of any shares or debentures standing in the name of the deceased, unless the transferor has acquired such shares for valuable consideration or a certificate from the controller is produced before the Company to the effect that the Estate Duty in respect of such shares or debentures has been paid or will be paid or that none is due, as the case may be.	
viii.	The Company shall incur liability whatever in consequence of its registering or giving effect, to any transfer of share made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.	

Sr. No	Particulars	Marginal Notes
<b>BOARD OF DIRECTORS</b>		
35.	<p>(4) The number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). The Company by a special resolution may increase the number of directors in compliance with the Act.</p> <p>(5) The following shall be the first directors of the Company</p> <p>(i) Mr. Narinder Singh Dhingra (ii) Mrs. Rohini Singh Dhingra (iii) Mrs. Manjit Kaur</p>	<p><i>Number of Directors</i></p> <p><b>First Director</b></p>
36.	<p>i. The Investor shall be entitled to nominate one (1) director on the Board of the Company and the Board of its Subsidiaries (“Investor Director”). This Article shall be effective as long as the Investor continues to hold at least five percent (5%) of the Equity Share capital of the Company on a Fully Diluted basis.</p> <p>ii Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. The Investor Director shall not be liable to retire by rotation and shall have all powers and privileges in line with other Directors on the Board.</p> <p>iii The Board shall have the overall responsibility for management of the Company and may appoint and delegate such day to day functions to the Chairman, the managing director, the manager or to a committee or other Person, as it deems fit.</p> <p>iv Each of the Parties shall exercise all rights and powers available to it to procure that the Investor shall have the right, but not the obligation, to nominate 2 (two) directors on the board of the directors of each Subsidiary in a manner identical to the rights available to the Investor to nominate Directors in the Company. The Company shall, and the Promoter Group undertakes to cause the Company to, procure that such directors (nominated by the Investor) are appointed on the board of directors of the Subsidiaries in accordance with these Articles.</p>	<p><i>Composition of the Board</i></p> <p><b>Directors not liable to retire by rotation</b></p>
<p>For the avoidance of doubt it is clarified that the provisions of this Article shall apply mutatis mutandis to the meetings of all committees of the boards of directors of the Subsidiaries (including any decision taken that relates to a reserved matter).”</p>		
37.	A Director need not hold any qualification shares	<i>Qualification Shares</i>
38.	<p>(i) Subject to the provisions of Section 161(2) of the Act the Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as another director (an “Alternate Director”) for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.</p> <p>(ii) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.</p> <p>(iii) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.</p>	<p><i>Appointment of Alternate Director</i></p> <p><b>Duration of office of alternate director</b></p> <p><b>Re-appointment provisions applicable to Original Director</b></p>
39.	1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the Articles of the Company, be filled by a nominee of the Shareholder by the shareholder who originally nominated the Director vacating office, but any Person so nominated, shall retain his office only so long as the vacating Director would have retained the same, if no	<p><i>Appointment of director to fill a casual vacancy</i></p> <p><b>Duration of office of Director appointed to</b></p>

Sr. No	Particulars	Marginal Notes
	vacancy had occurred.	<b>fill casual vacancy</b>
2)	Provided, that the director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.	
40.	<p>i. The Investor Director will be a non-executive Director.</p> <p>ii. The Investor Director shall not be in charge of, or responsible for the day to day management of the Company and shall not be deemed to be an “officer in default” as the term is defined in the Act and shall accordingly not be liable for any default or failure of the Company and/or its subsidiaries in complying with the provisions of any Applicable Laws.</p> <p>iii. The Company shall procure suitable Director and Officers Liability insurance in favour of the Investor Director from a reputable insurance company and for such value as is acceptable to the Investor.</p>	<b>Liability of Investor Director</b>
41.	The Promoters shall vote their Shares of the Company for the election of any Person nominated to be Director of the Company by the Investor in accordance with these Articles.	<b>Voting for appointment of Directors</b>
42.	The Investor shall at any time be entitled to provide written notice to the Board withdrawing its nomination of any Investor Director. Such written notice shall take immediate effect. On receipt of such written notice, the Promoters shall be bound to cause their Directors to vote in favor of the removal of the Investor Director whose candidature is withdrawn by the Investor.	<b>Withdrawal of Nomination</b>
43.	The Investor shall in addition, be entitled to depute 1 (one) observer to the Board of the Company and its Subsidiaries who shall be an employee, officer or director of the Investor and who shall subject to the obligations of confidentiality receive all materials supplied to Directors. Such observer shall be entitled to attend all meetings of the Board but shall not to be entitled to vote at such meetings.	<b>Observer</b>
44.	<p>Subject to the provisions of section 149 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>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>	<p><b>Appointment of additional Directors</b></p> <p><b>Duration of office of additional director</b></p>
45.	<p>Subject to the provisions of section 197 of the Act, the remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>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>	<p><b>Remuneration of directors</b></p> <p><b>Travelling and other expenses</b></p>
46.	The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.	<b>Power of Board - General powers of the Company vested in Board</b>
<b>BOARD MEETINGS</b>		
47.	The Board shall meet at least four (4) times in every calendar year and at least	<b>Number of Board</b>

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	once in every calendar quarter. Meetings of the Board shall be held at New Delhi / Gurgaon or any other place in India as may be decided. All expenses and costs incurred for attending such meetings by the Investor Director shall be borne by the Company. A Board meeting may also be held by teleconference or video conferencing and/or the presence of a Director at a meeting may be recorded if he is present over telephone or video conferencing, if such meeting or presence, as the case may be, is not contrary to Applicable Law.	<i>Meetings</i>
48.	Any Director may, and the Secretary of Company, if so appointed, shall on the requisition of a Director, summon a meeting of the Board, in accordance with the notice and other requirements set out in these Articles.	<i>Convening meetings of the Board</i>
49.	At least seven (7) days prior written notice shall be given to each of the Directors of any meeting of the Board or a committee. A meeting of the Board or a committee may be held at shorter notice in accordance with provisions of the Act and rules made there under. .	<i>Notice for Board Meetings</i>
50.	A reasonably detailed agenda shall be supplied to each Director along with the notice, together with the draft resolutions and other appropriate documentation with respect to agenda items calling for Board action, to adequately inform Directors regarding matters to come before the Board. Any Director wishing to place a matter on the agenda for any meeting of the Board may do so by communicating with the Chairman of the Board sufficiently in advance of the meeting of the Board to permit timely dissemination to all Directors of information with respect to the agenda items	<i>Contents of the Notice</i>
51.	A quorum of the Board shall be as provided in the Act, which shall include the Investor Director at the commencement and throughout the duration of the meeting. If the Investor Director is not present at any meeting of the Board (“Initial Meeting”), the meeting shall be adjourned to the same time and place in the next week or if that day is not a Business Day to the immediately succeeding Business Day. However, the Investor may on or before the date of the proposed Board meeting provide his consent to the matters to be taken-up at the Board meeting and waive the requirement for his physical presence to constitute a quorum. Not less than five Business Days notice shall be given of any adjourned meeting (“Adjourned Meeting”). If the Investor Director is not present at such Adjourned Meeting, the Shareholders present shall constitute valid quorum provided that the agenda for the Initial Meeting shall be the agenda for the Adjourned Meeting and matters which are not specifically defined and stated in the agenda for the Initial Meeting shall in no event be taken up for discussion or approved at the Adjourned Meeting, it being understood and agreed by the Company, Promoters and Investor that any matters in respect of Article 65 (Consent Rights) not specifically approved by the Investor as per Article 65 shall not in any event be taken up for discussion or approved by the Board (at Initial Meeting or at Adjourned Meeting).	<i>Quorum for Board Meeting</i>
52.	Subject to Article 65 (Consent Rights), all decisions of the Board shall require the affirmative vote of a majority of the Directors at a duly convened meeting of the Board at which a quorum is present. In the event there is a vacancy on the Board and an individual has been designated to fill such vacancy, the first order of business shall be to fill such vacancy.	<i>Decisions of the Board</i>
53.	The Promoter shall have the right at all times to nominate the Chairman of the Company. The Chairman shall not have a casting vote. In the absence of the Chairman at any meeting, the Board shall elect one of their members to chair the meeting in question.	<i>Chairman</i>
54.	Subject to Article 65 (Consent Rights) and except for those actions required by the Act to be determined at a meeting of the Board, all decisions of the Board may be taken by circular resolution. The notice period for any circular resolution shall be seven (7) days, unless waived by the Investor. The draft of the resolution must be circulated to all Directors including the Investor Director, and as regards the Investor Director a copy shall also be sent to one of its designated addresses in India. Each circular resolution must be in writing and would get passed by majority and only when signed by each and every	<i>Circular Resolution</i>

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	Director. It is being clarified that in case of circular resolution the majority consent of the Board shall be necessary and not of the Directors then in India.	
55.	<p>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>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> <p>The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.</p> <p>The Investor shall have the right to nominate its representative on the Audit Committee and Compensation Committee of the Board and any other special committee that may be constituted by the Board from time to time.</p> <p>The provisions of these Articles in relation to the conduct of Board meetings shall also apply to meetings of committees.</p>	<i>Committees of the Board</i>
56.	<p>(i) As per the Shareholders Agreement, each of the Parties shall exercise all rights and powers available to them to procure that all reserved matters contained in clause 16 of the NUBL SHA shall be decided by NUBL only through a resolution by its board of directors and subject to all such resolution being approved by an affirmative vote of the Investor Director on the board of directors of NUBL.</p> <p>(ii) The Company shall and the Promoter Group undertakes to cause the Company to, procure that all resolutions of NUBL which require decisions to be undertaken with the affirmative consent of the Investor Director or any information which is required to be provided to the Investor Director will be communicated to the Investor Director in accordance with the provisions of the NUBL SHA.</p> <p>(iii) The Company shall and the Promoter Group undertakes to cause the Company to, forward all information received from NUBL to the Investor Director within a period of 2 days of receipt of the same from NUBL f</p>	<i>NUBL SHA</i>
<b>SHAREHOLDERS MEETINGS</b>		
57.	<p>i. All general meetings other than the Annual general meetings of the Company shall be called extra-ordinary general meetings.</p> <p>ii. The Board may, whenever it thinks fit call an Extra-ordinary general meeting.</p>	<i>Extra-ordinary General Meetings</i>
58.	<p>An annual general meeting of the Shareholders of the Company shall be held within six (6) months of every Financial Year of the Company.</p> <p>Subject to the foregoing, the Board or the Company, Promoters and Investor may convene an extraordinary general meeting of the Shareholders of Company whenever they deem appropriate.</p>	<i>General Meetings</i>
59.	<p>At least Twenty-one (21) days prior written notice of every annual general meeting of Shareholders shall be given to all Shareholders whose names appear on the register of members of the Company. A meeting of the Shareholders may be called by giving shorter notice in accordance with provisions of the Act and rules made there under..</p>	<i>Notice for General Meetings</i>
60.	<p>The notice to Shareholders shall specify the place, date and time of the meeting. Every notice convening a meeting of the Shareholders shall set forth in full and sufficient detail the business to be transacted thereat, and no business shall be transacted at such meeting unless the same has been stated in the notice convening the meeting.</p> <p>i. The notices in respect of the Shareholders meetings for every Financial Year shall include the Audited Financial Statement of the Company for the respective Financial Years.</p> <p>ii. The notice shall not include any matter related to the Specified</p>	<i>Contents of Notice</i>

Sr. No	Particulars	Marginal Notes
	Matters unless such matter has been discussed and approved by the Board.	
61.	The Chairman of a general meeting of the Company shall not have any second or casting vote. The Chairman of the Board shall be the Chairman for all general meetings, unless the meeting is called by the Investor, in which case the Investor will appoint the Chairman for that meeting	<b><i>Chairman for General Meeting</i></b>
62.	<p>i. Any Shareholder of the Company may appoint another Person as his proxy (and in case of a corporate shareholder, an authorized representative) to attend a meeting and vote thereat on such Shareholder's behalf, provided that the power given to such proxy must be in writing as prescribed in the Rules made under section 105 of the Act.</p> <p>ii. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.</p> <p>iii. The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a authorize 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> <p>iv. An instrument appointing a proxy shall be in the form as prescribed in the Rules made under section 105 of the Act.</p> <p>v. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>	<p><b><i>Proxies</i></b></p> <p><b>Member may vote in person or otherwise</b></p> <p><b>Proxies when to be deposited</b></p> <p><b>Form of proxy</b></p> <p><b>Proxy to be valid notwithstanding death of the principal</b></p>
63.	To constitute a quorum for a general meeting or extraordinary general meetings of the Company the presence of in Person or through proxy of an authorized representative of the Investor shall be necessary at the commencement and throughout the duration of the meeting. Notwithstanding any provisions of the Act, presence of the Investor Director or other authorized representative of the Investor shall be mandatory at the commencement and throughout the duration of the meeting to constitute a valid quorum for a general meeting or any class of general meeting (including any adjourned meeting or extraordinary general meeting). If the Investor or its nominee is not present at any meeting of the Shareholders ("Initial Shareholders Meeting"), the meeting shall be adjourned to the same day, time and place in the next week or if the day is not a Business Day to the immediately succeeding Business Day. Not less than five Business Days notice shall be given of any adjourned meeting ("Adjourned Shareholders Meeting"). If the Investor or its nominee is not present at such Adjourned Shareholders Meeting, the Shareholders present shall constitute valid quorum provided that agenda for the Initial Shareholders Meeting shall be the agenda for the Adjourned Shareholders Meeting and matters which are not specifically defined and stated in the agenda for the Initial Shareholders Meeting shall in no event be taken up for discussion or approved at the Adjourned Shareholders Meeting, any matters in respect of Article 65 (Consent Rights) not specifically approved by the Investor as per Article 65 not in any event be taken up for discussion or approved at the Shareholders meeting, including any Adjourned Shareholders Meeting.	<b><i>Quorum for General / Extraordinary General Meetings</i></b>

Sr. No	Particulars	Marginal Notes
64.	Except as otherwise required by the Applicable Law and Article 65 (Consent Rights), all decisions of the Shareholders of the Company shall be made by simple majority of the Shareholders at a duly convened meeting at which a quorum is present.	<i>Decision Making</i>
65.	<p>Notwithstanding anything contained in these Articles:</p> <p>i Each of the Specified Matters as contained herein shall be decided by the Company only through a resolution of its Board or Shareholders, as the case may be.</p> <ol style="list-style-type: none"> <li>a. <u>Scope of Business</u>. Any material change in the scope, nature and activities of the Company.</li> <li>b. <u>Charter Documents</u>. Cause or permit any amendments to the Share Subscription Agreement, the Shareholders Agreement, the Memorandum of Association or Articles of Association of the Company save and except as may be required to give effect to the transactions contemplated by the Shareholders Agreement.</li> <li>c. <u>Acquisitions</u>. Merger, acquisition, amalgamation, demerger, re-organisation, restructuring or liquidation of the Company or its Subsidiaries.</li> <li>d. <u>Issuance of Securities</u>. Issue, deliver or sell or authorize or propose the issuance, delivery or sale of, or purchase or propose the purchase of, any shares of Company or its Subsidiaries, or subscriptions, rights, warrants or options to acquire, or other agreements or commitments of any character obligating Company or its Subsidiary to issue any such shares or Securities.</li> <li>e. <u>Dispositions</u>. Sell, lease, license or otherwise dispose of or encumber any of its properties or assets, except in the Ordinary Course of Business, consistent with past practice.</li> <li>f. <u>Business Plan</u>. Approval of annual Business Plan.</li> <li>g. <u>Expansion</u>. Any major expansions, diversifications, investments or diversification not approved in the annual Business Plan.</li> <li>h. <u>Loans</u>. Incurring of indebtedness and guarantees or granting of loans and advances in excess of 10% of those approved in the annual Business Plan.</li> <li>i. <u>Accounting Policy</u>. Any change in the auditors of the Company, approval of the annual accounts, accounting policy, dividend policy including distribution of any profits or assets.</li> <li>j. <u>Related Party Transactions</u>. Any related party transactions including loans and business arrangements between Promoter Group, Affiliates/group Companies.</li> <li>k. <u>Initial Public Offering</u>. Conducting an Initial Public Offering.</li> <li>l. <u>Material Contracts</u>. Approval of any Material Contracts entered into by the Company.</li> </ol>	<i>Consent Rights</i>
	<p>Transfer of shares held by the Company in NUBL.”</p> <p>Appointment of arbitrator by the Company for disputes arising under the NUBL SHA.”</p> <p>Any amendment and / or modifications to the Brand Licensing Agreement.”</p>	
	<p>ii No resolution or decision shall be passed or taken by the Board or the Shareholders of the Company with respect to any of the Specified Matters unless:</p> <ol style="list-style-type: none"> <li>a. Such resolution or decision is approved by a majority of the Board of the Company, which majority includes the affirmative vote of Investor Director, or</li> <li>b. Such resolution is approved in writing by the Investor, or</li> <li>c. Investor Director, by itself or through proxy, votes in favor of such resolution at a general meeting of the Company.</li> </ol>	
	<p>iii The Consent Rights specified in this Article 65 shall also apply in respect of any Subsidiaries of the Company. The Consent Rights of the Investor under</p>	

Sr. No	Particulars	Marginal Notes
	<p>this Article 65 shall continue to apply till such time as the Investor continues to hold at least five percent (5%) of the Equity Shares of the Company on a Fully Diluted Basis. If any of the Specified Matters are required to be modified pursuant to any rules or regulations pertaining to the Initial Public Offerings (as defined hereinafter) or listing, the relevant provision will be modified so as to maintain the essential benefits of the negotiation among the Company, Promoters and Investor hereto to the maximum extent possible on a best effort basis, consistent with law and public policy.</p>	
	<p>iv Any oral or written notings, comments or views expressed by the Investor or the Investor Director, either by their presence at the Board (including committees)/Shareholders meetings or by any other means of communication will be expressly recorded in the minutes of the respective Board (including committees) or</p>	
66.	<p>i. The Shareholders shall ensure that they, their representatives and proxies representing them at the general meetings of the Shareholders of the Company shall at all times exercise their votes and through their respective appointed/nominated directors (or alternate directors) at Board meetings and otherwise, act in such manner so as to comply with, and to fully and effectually implement the spirit, intent and specific provisions of these Articles.</p> <p>ii. If a resolution contrary to the terms of these Articles is passed at any meeting of Shareholders or at any meeting of the Board or any committee thereof, such resolution shall be null and void.</p>	<b>Exercise of Voting &amp; Other Rights</b>
67.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares –</p> <p>(a) on a show of hands, every member present in person shall have one vote; and</p> <p>(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.</p>	<b>Entitlement to vote on show of hands and on poll</b>
68.	<p>A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.</p>	<b>Voting through electronic means</b>
69.	<p>(1) 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>(2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	<b>Vote of joint holders</b>  <b>Seniority of names</b>
70.	<p>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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.</p>	<b>How members non compos mentis and minor may vote</b>
71.	<p>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 duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.</p>	<b>Votes in respect of shares of deceased or insolvent members, etc.</b>
72.	<p>Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.</p>	<b>Business may proceed pending poll</b>
73.	<p>No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.</p>	<b>Restriction on voting rights</b>
74.	<p>A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being</p>	<b>Restriction on exercise of voting rights in other cases to be void</b>



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	a ground set out in the preceding Article.	
75.	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.	<b>Equal rights of members</b>
<b>BORROWING POWERS</b>		
76.	<p>Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:</p> <ol style="list-style-type: none"> <li>a) accept or renew deposits from Shareholders;</li> <li>b) borrow money by way of issuance of Debentures;</li> <li>c) borrow money otherwise than on Debentures;</li> <li>d) accept deposits from Shareholders either in advance of calls or otherwise; and</li> <li>e) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.</li> </ol> <p>Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting. The Board may delegate the power to borrow money to a committee in accordance with the provisions of the Act and rules made there under.</p>	<b>Power to borrow.</b>
77.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	<b>Issue of discount etc. or with special privileges.</b>
78.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or Company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
79.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
80.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
81.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming	<b>Indemnity may be given.</b>

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	liable as aforesaid from any loss in respect of such liability.	
<b>FORFEITURE OF SHARES</b>		
82.	If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.	<b>If call or instalment not paid notice must be given</b>
83.	The notice aforesaid shall: (c) 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 (d) 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.	<b>Form of Notice</b>
84.	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.	<b>In default of payment of shares to be forfeited</b>
85.	Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.	<b>Receipt of part amount or grant of indulgence not to affect forfeiture</b>
86.	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	<b>Entry of forfeiture in register of members</b>
87.	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.	<b>Effect of forfeiture</b>
88.	(1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. (2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	<b>Forfeited shares may be sold, etc.</b>
89.	(1) 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, and shall 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. (2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or authorized. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. (3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.	<b>Cancellation of forfeiture</b>
90.	(1) 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	<b>Members still liable to pay money owing at the time of forfeiture Member still liable to pay money owing at time of forfeiture and interest</b>  <b>Cessation of liability</b>  <b>Certificate of forfeiture</b>

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	<p>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>(2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p> <p>(3) The transferee shall thereupon be registered as the holder of the share; and</p> <p>(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.</p>	<p><b>Title of purchaser and transferee of forfeited shares</b></p> <p><b>Transferee to be registered as holder</b></p> <p><b>Transferee not affected</b></p>
91.	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.	<b>Validity of sales</b>
92.	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.	<b>Cancellation of share certificate in respect of forfeited shares</b>
93.	The Board may, subject to the provisions 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.	<b>Surrender of share certificates</b>
94.	The provisions of these Articles 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.	<b>Sums deemed to be calls</b>
95.	The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	<b>Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc.</b>
<b>LIEN</b>		
96.	<p>(1) The Company shall have a first and paramount lien—</p> <p>(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</p> <p>(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:</p> <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>(2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.</p> <p>(3) Unless otherwise agreed by the board, the registrar of a transfer of shares shall operate as a waiver of the Company's lien.</p>	<p><b>Company's lien on shares</b></p> <p><b>Lien to extend to dividend etc.</b></p> <p><b>Waiver of lien in case of registration</b></p>
97.	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—	<b>As enforcing lien by sale</b>
	(c) unless a sum in respect of which the lien exists is presently payable; or	

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	(d) 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 or otherwise.	
98.	(5) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof. (6) The purchaser shall be registered as the holder of the shares comprised in any such transfer. (7) The receipt of the Company for the consideration (if any) given for the share on the sake thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. (8) 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 with reference to the sale.	<b>Validity of sale</b>  <b>Purchaser to be registered holder</b> <b>Validity of Company's receipt</b>  <b>Purchaser not affected</b>
99.	(1) 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. (2) 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.	<b>Application of proceeds of sale</b>  <b>Payments of residual money</b>
100.	In exercising its lien, the Company shall be entitled to tear the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.	<b>Outsider's lien not to affect Company's lien</b>
101.	The provision of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.	<b>Provision's as to lien to apply mutatis mutandis to debentures, etc.</b>
<b>CALLS ON SHARES</b>		
102.	(1) 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 (2) 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. (3) The Board may, from time to time, at its discretion, extend the time fixed for payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances. (4) A call may be revoked or postponed at the discretion of the Board.	<b>Board may make calls</b>  <b>Notice of call</b>  <b>Board may extend time for payment</b>  <b>Revocation or postponement of call</b>
103.	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.	<b>Call to take effect from date of resolution</b>
104.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	<b>Liability of joint holders of shares</b>
105.	(1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board. (2) The Board shall be at liberty to waive payment of any such interest wholly or in part.	<b>When interest on call or instalment payable Board may waive interest</b>
106.	(1) 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	<b>Sums deemed to be calls</b>

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	<p>the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>(2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>	<b>Effect of non – payment of sums</b>
107.	<p>The Board—</p> <p>(c) 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>(d) 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 as may be fixed by the Board. Nothing contained in this clause shall confer on the members (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.</p>	<b>Payment in anticipation of calls may carry interest</b>
108.	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.	<b>Instalments on shares to be duly paid</b>
109.	<p>All calls shall be made on a uniform basis on all shares falling under the same class.</p> <p>Explanation: Shares of all the same nominal value on which different amounts have been paid – up shall not be deemed to fall under the same class.</p>	<b>Calls on shares of same class to be on uniform basis</b>
110.	Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.	<b>Partial payment not to preclude forfeiture</b>
111.	The provision of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	<b>Provisions as to calls to apply mutatis mutandis to debentures, etc.</b>
<b><i>INFORMATION RIGHTS &amp; REPORTING</i></b>		
112.	The Company shall permit any Person designated by the Investor (“Designated Persons”) to discuss the affairs, finances and accounts of Company with their officers and other principal executives at such time as may reasonably be requested, and all books, records, accounts, documents and vouchers relating to the business and the affairs of Company including any project of Company, shall at such time be open to the inspection of any such Person, who may make such copies thereof or extracts there from as such Person may deem appropriate. The Investor will also have complete access to the statutory and internal auditors of the Company for inspection of books of accounts or resolution of any queries that the Investor may have. The Company shall make necessary arrangements for the Designated Persons to visit a project site upon receipt of reasonable notice from Investor. Provided that the Investor shall and shall ensure that the Designated Persons shall maintain all information and documents received pursuant to this Article 112 in strict confidence.	<b><i>Discussions and Inspection</i></b>
113.	<p>The Company shall furnish and the Promoters shall ensure that the Company furnishes to the Board (including the Investor Director) the following information as regards the Company:</p> <p>a) Quarterly management accounts and financial information;</p> <p>b) Consolidated annual management accounts;</p>	<b><i>Information of the Company</i></b>

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	<ul style="list-style-type: none"> <li>c) Consolidated audited accounts;</li> <li>d) Annual business plan, annual budget and projected financial statements;</li> <li>e) Such other operating statistics and other trading and financial information;</li> <li>f) MIS information/reports (in mutually agreed format).</li> </ul>	
<b><i>INVESTOR OPTION</i></b>		
114.	<ul style="list-style-type: none"> <li>i. Any time prior to the IPO and subject to provisions of applicable law, the Investor shall have a right to subscribe to and acquire 600,000 Shares (“Investor Option”) of the issued and paid up share capital of the Company on a Fully Diluted basis for an amount of ₹ 90,000,000 (Rupees Ninety Million Only) (“Option Price”).</li> <li>ii. Investor Option shall be subject to adjustments against bonus issuances or stock splits or similar corporate actions by the Company and may be exercised in full or in part. Option Price shall be fixed and firm and not subject to escalation.</li> <li>iii. If the Investor exercises the Investor Option, simultaneously upon receipt of the pro rata Option Price, the Company shall and the Promoter shall cause the Company to issue and allot the corresponding Shares in the Company to the Investor.</li> </ul>	<b>Investor Option</b>
<b><i>EXIT</i></b>		
115.	The Company, the Promoters and the Promoter Group shall cause a listing of the Equity Shares of the Company by way of an initial public offering before March 2012 on the Bombay Stock Exchange Limited, National Stock Exchange or any other stock exchange acceptable to the Investor and the Company (“Initial Public Offering”).	<b><i>Initial Public Offering</i></b>
<b><i>ALTERNATE EXIT OPTIONS</i></b>		
116.	In the event the Company is unable to complete an Initial Public Offering by March 2012, the Investor shall be entitled to exercise the following exit options (Alternate Exit Options”):	
117.	<p>The Investor shall at its discretion have the right and option to conduct or require the Company to conduct an Initial Public Offering of the Company at any time through (a) an offer for sale of all or any of the Investor’s Shares, and/or (b) fresh issue of Shares by the Company, and/or (c) offer for sale of Shares of Promoters (“Liquidity IPO”). The extent of shares offered by the Promoters in such Liquidity IPO will be in the same ratio as the then shareholding with the total shares being offered under the offer for sale. If the Investor exercises its option for a Liquidity IPO, the Company and Promoters agree to do all acts and deeds necessary under the then prevailing Applicable Laws, including inter alia, lock-in of the Shares of Promoters and Promoter Group to effect the Liquidity IPO. Further, the Company and the Promoter Group, jointly and severally shall exercise their respective voting rights (as members or nominators of members of the Board and as Shareholders), and to cause the Board to take all steps necessary for the Company to expeditiously prepare for and consummate an Liquidity IPO, including but not limited to:</p> <ul style="list-style-type: none"> <li>(a) preparing and signing the relevant offer documents;</li> <li>(b) preparing and signing such amendments to these Articles as are required for the Liquidity IPO;</li> <li>(c) entering into appropriate and necessary agreements;</li> <li>(d) providing all necessary information and documents necessary to prepare the offer documents;</li> <li>(e) obtaining any necessary regulatory or other approvals. <ul style="list-style-type: none"> <li>i. The Company and the Promoters shall ensure compliance with the listing requirements of the stock exchanges, all applicable regulatory</li> </ul> </li> </ul>	<b><i>Liquidity IPO</i></b>

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	<p>authorities and to ensure compliance with all Applicable Laws, all applicable provisions of the Act, the SEBI guidelines, the listing agreement of the relevant stock exchange and other regulations prevailing at the time of the Liquidity IPO.</p> <p>ii. The Company and Promoters shall obtain the prior permission from banks and other financial institutions for consummating a Liquidity IPO, if so required.</p> <p>iii. The Promoters and the Company agree that the right under the Articles 116 to 119, may be specifically enforced by the Investor and the Promoters undertake to vote along with the Investor and execute all such acts and deeds as may be necessary to facilitate the exercise of Investor rights under Articles 116 to 119. All costs relating to exercise of Investor's rights under Articles 116 to 119 (without limitation to underwriting, selling and distribution costs) shall be borne and paid by the Company.</p> <p>iv. The Investor shall have the right but not the obligation to offer up to 100% of their Shares in the Company during an Initial Public Offering</p>	
118.	The Investor shall have the right to sell all of the Investor Shares to any financial investor or to its Affiliates along with rights appurtenant thereto under these Articles.	<b><i>Sale to Financial Investor</i></b>
119.	The Alternate Exit Options may be exercised by the Investor entirely at its discretion and provided that such Alternate Exit Options are at a minimum value of 2x the Investment Amount ("Exit Value"). In the event the Investor elects not to exercise the Alternate Exit Options despite such options providing an exit to the Investor at the Exit Value, the Investor shall not be entitled to the Ultimate Exit Options stipulated in Article 120 to Article 127.	<b><i>Exit Value</i></b>
<b><i>ULTIMATE EXIT OPTIONS</i></b>		
120.	In the event the Company is unable to complete an Initial Public Offering by March 2012 and there are no Alternate Exit Options available to the Investor by September 2012, the Investor shall be entitled to exercise the following exit options ("Ultimate Exit Options"):	
121.	<p>i. The Investor shall have the right to sell the Investor Shares, at its discretion, to the Promoters at the fair market value of such Shares to be determined by two reputed investment banks appointed by the Promoters and the Investor respectively, or at a price, which is 2x the Investment Amount, whichever is higher ("Buy-back Price").</p> <p>ii. If the Promoters propose to buy the Investor Shares, they shall agree to facilitate and ensure the buy-back of the Investor Shares in accordance with this Article 121.</p>	<b><i>Buy-back</i></b>
122.	<p>In the event the Promoters fails to buy-back the Investor Shares by December 2012, the Investor shall have the right to sell all of the Investor Shares to any strategic or financial investor ("Acquiring Shareholder") and the Promoters covenant to:</p> <p>a) Sell down such number of their Shares (i.e. Promoter Shares) to the Acquiring Shareholder that allows majority ownership and control to the Acquiring Shareholder in the Company; and</p> <p>b) Ensure that the Promoter Shares sold as part of this undertaking are sold at a value that provides the Investor a minimum return of 2x of the Investment Amount ("Minimum Drag Along Return"). Such sale of Promoter Shares will be structured, as a sale to the Investor or any nominee of the Investor or a sale to the Acquiring Shareholder as advised by legal counsel and within stipulated guidelines at such point of time.</p> <p>c) The transfer of Shares by the Promoters under this Article 122 will however be limited to such an extent that ensures that the Promoters Group's aggregate shareholding in the Company including by way of</p>	<b><i>Drag-Along Right</i></b>

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	employee stock options (ESOP) does not fall below 49% of the Equity Share capital of the Company on a Fully Diluted basis after such transfer.	
123.	The Company shall bear all expenses arising from any of the exit options exercised by the Investor under Article 120 to Article 127.	<i>Expenses</i>
124.	<p>To the extent of the Option Shares acquired by the Investor after July 31, 2011 (“Delayed Option Shares”), the following provisions shall apply for the purpose of computing the Buy-back Price under Article 121 and Minimum Drag Along Return under Article 122, for such Delayed Option Shares:</p> <p>a) Buy-back Price and/or the Minimum Drag Along Return, as the case may be, for the Delayed Option Shares shall be computed at a price that gives Investor an internal rate of return of fifteen percent (15%) on the pro-rata Option Price paid for acquisition of Delayed Option Shares;</p> <p>b) The return shall be computed from the date the Investor invests in the Delayed Option Shares upto the date of (i) completion of the buy-back by the Promoters under Article 121, and/or (ii) completion of transfer of shares to Acquiring Shareholder under Article 122, as the case may be;</p> <p>c) It is clarified that the provisions of this Article 124 has no implication on any other provisions of these Articles, except the Articles specifically referred in this Article 124 and does not apply to any provisions relating to Subscription Shares or Option Shares;</p>	<i>Delayed Option Shares</i>
125.	Any transfer or sale by the Investor of more than fifty percent (50%) of the of the Investor Shares, shall automatically result in the assignment of Investor’s rights in relation to the transferred Shares under these Articles to the buyer, and on purchase of such transferred Investor Shares the buyer shall acquire rights similar to those of Investor. It is expressly agreed between the Company, Promoters and Investor that no separate agreement or document needs to be executed with the Company and the Promoters for such transfer and all the rights and privileges of the Investor under these Articles shall stand transferred to the buyer immediately upon the transfer of fifty percent (50%) of the Investor Shares.	<i>Assignment of Rights</i>
126.	<p>In the event of one or more of the following:</p> <p>a) Any liquidation, dissolution or winding-up of the Company either voluntary or involuntary;</p> <p>b) Any acquisition of the Company by means of a merger, acquisition or other form of corporate reorganization, in which the Shareholders of the Company do not own a majority of the outstanding Shares of the surviving entity;</p> <p>c) Any sale of all or substantially all of the assets of the Company; any of the above a “Liquidation”, the total proceeds from such Liquidation remaining after discharging the liabilities of the Company, shall be distributed, first to the Investor, in proportion to its shareholding but subject to the distribution being not less than 2x of the Investment Amount. Any shortfall in such distribution shall be paid by the Promoters from their entitlement in the Liquidation.</p>	<i>Liquidation Preference</i>
127.	<p>i. At any point prior to exercising the exit options, the Investor, may at its sole discretion require the Promoter 1 to acquire all the shares held by NUCL in NUBL at a price such that would compensate NUCL for any reduction in the fair market value of the Shares on account of losses or liabilities arising from the NUBL Business.</p> <p>ii. The Parties agree that for the purpose of consummation of the arrangement of Promoter 1 to acquire the shares held by NUCL in NUBL, the Promoter Group shall, if required sell such number of Shares held by them in the Company as may be required for the purpose of arrangement of funds required for the aforesaid acquisition by Promoter 1.”</p>	<i>Exit</i>



Sr. No	Particulars	Marginal Notes
<b>MANAGING DIRECTOR OR WHOLE TIME DIRECTOR</b>		
128.	Subject to the provisions of the Act, the Board may, from time to time, appoint one or more Directors to be managing director or whole time director of the Company and may, from time to time, (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places.	<i>Powers to appoint</i>
129.	Subject to the provision of the Act, a managing director or whole time directors shall be subject to retirement by rotation, unless otherwise approved by the shareholders in the general meeting and he will be counted for ascertaining the number of directors to retire (Subject to the provisions of any contract between him and the Company) he shall be subject to the same provision as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be a managing director or whole time directors if the ceases to hold the office of Director for any cause. That an individual can be appointed or reappointed as the chairperson of the company as well as the Managing Director or Chief Executive Officer of the company at the same time.	<i>To what provision they shall be subjected</i>
130.	Subject to the provisions of Section 197, Schedule V and other applicable provisions of the Act, a managing director or whole time director in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remunerations as may, from time to time, be sanctioned by the Company	<i>Remuneration</i>
131.	Subject to the provision of the Act, in particular to the prohibitions and restrictions contained in Sections 179 and 180 thereof, the Board may, from time to time, entrust to and confer upon a managing director or whole time director for the time being such of the powers exercisable under these presents by the Board as it may think fit and may confer such powers for such time, and be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as It thinks fit, and the Board may confer such powers either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may from time to time, revoke, withdraw, alter or vary all or any such powers.	<i>Powers of managing Director and whole time director</i>
<b>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER</b>		
132.	(a) Subject to the provisions of the Act,— Every whole-time key managerial personnel of the Company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. Whole-time key managerial personnel of the Company so appointed may be removed in pursuance to the applicable provisions of the Act. (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.	<b>Chief Executive Officer, etc.</b>  <b>Director may be chief executive officer, etc.</b>
<b>THE SEAL</b>		
133.	(1) The Board shall provide for the safe custody of the seal. (2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.	
<b>DIVIDENDS AND RESERVES</b>		
134.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	<b>Company in general meeting may declare dividends</b>
135.	Subject to the provisions of section 123 of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.	<b>Interim dividends</b>

Sr. No	Particulars	Marginal Notes
136.	<p>(1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for authorized 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>(2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<p><b>Dividends only to be paid out of profits.</b></p> <p><b>Carry forward of profits</b></p>
137.	<p>(1) 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>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.</p> <p>(3) 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>	<p><b>Division of profits</b></p> <p><b>Payments in advance</b></p> <p><b>Dividends to be apportioned</b></p>
138.	<p>(1) 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.</p> <p>(2) 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.</p>	<p><b>No member to receive dividend whilst indebted to the Company and Company's right to reimbursement there from</b></p> <p><b>Retention of dividends</b></p>
139.	<p>(1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> <p>(3) 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.</p>	<p><b>Dividend how remitted</b></p> <p><b>Instrument of payment</b></p> <p><b>Discharge to Company</b></p>
140.	<p>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.</p>	<p><b>Receipt of one holder sufficient</b></p>
141.	<p>No dividend shall bear interest against the Company.</p>	<p><b>No interest on dividends</b></p>
142.	<p>The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.</p>	<p><b>Waiver of dividends</b></p>
<b>ACCOUNTS</b>		
143.	<p>(1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the</p>	<p><b>Inspection by Directors</b></p>

Sr. No	Particulars	Marginal Notes
	applicable provisions of the Act and the Rules.	
(2)	No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board or by the Company in a general meeting.	<b>Restriction on inspection members</b>
<b>DISPUTE RESOLUTION</b>		
144.	Any dispute, controversy or claim arising out of, relating to or in connection with Shareholders Agreement (including any provision of any exhibit, annex or schedule hereto) or the existence, breach, termination or validity hereof (a "Dispute") shall be finally settled by arbitration. The arbitration shall be conducted in accordance with the rules of the Singapore International Arbitration Centre ("SIAC Rules"). The SIAC Rules are deemed to be incorporated by reference in this Article. The arbitration shall be held at Singapore and shall be conducted by three (3) arbitrators. For purpose of appointing such arbitrators, Investor, on the one hand, and Promoters, as a group, on the other hand, shall each appoint one arbitrator, and the third arbitrator, who shall be the chairperson, shall be selected by the two Party-appointed arbitrators. An arbitral tribunal thus constituted is herein referred to as a "Tribunal". In the event an appointed arbitrator may not continue to act as an arbitrator of a Tribunal, then the Party (or the two appointed arbitrators, in the case of the third arbitrator) that appointed such arbitrator shall have the right to appoint a replacement arbitrator	<b>Arbitration</b>
145.	Nothing shall prevent the Parties from obtaining relief from a court of competent jurisdiction in the form of provisional or conservatory measures (including, without limitation, preliminary injunctions to prevent breaches hereof). Any request for such provisional measures by a Party to a court shall not be deemed a waiver of this agreement to arbitrate. In addition, the Tribunal may, at the request of a Party, order provisional or conservatory measures (including, without limitation, preliminary injunctions to prevent breaches hereof) and the Parties shall be able to enforce the terms and provisions of such orders in any court having jurisdiction.	<b>Tribunal</b>
146.	Parties shall agree, all submissions and awards in relation to arbitration shall be made in English and all arbitration proceedings and all pleadings shall be in English. Original documents in English or any other language may be submitted as evidence in their original language. Witnesses not fluent in English may give evidence in their native tongue (with appropriate translation). Original documents in a language other than English shall be submitted as evidence in English translation accompanied by the original or true copy thereof.	<b>Submissions and awards</b>
147.	Party to arbitration hereunder shall pay its own legal fees and expenses incurred in connection with the arbitration and the expenses of any witness produced by it. The cost of any stenographic record and all transcripts thereof shall be prorated equally among all Parties ordering copies and shall be paid by such Parties directly to the reporting agency. All other expenses of the arbitrators and the expenses of any witness or the cost of any proof produced at the request of the arbitrator shall be borne as determined by the Tribunal.	<b>Legal fees</b>
148.	Any award in connection with any arbitration proceeding hereunder shall be final, binding and not subject to appeal, and any judgment upon such award may be entered and enforced in any court of competent jurisdiction. To the extent permitted by Applicable Law, the Parties hereby waive all challenge to any award of the Tribunal	<b>Binding</b>
<b>WINDING UP</b>		
149.	Subject to the applicable provisions of Chapter XX of the Act and the Rules made there under - (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property	<b>Winding up of Company</b>

Sr. No	Particulars	Marginal Notes
	<p>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>The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	
<b>INDEMNITY AND INSURANCE</b>		
150.	<p>(a) Subject to the provisions of the Act, every officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such officer or in any way in the discharge of his duties in such capacity including expenses.</p> <p>(b) Subject as aforesaid, every officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.</p> <p>(c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.</p>	<p><b>Directors and officers right to indemnity</b></p> <p><b>Insurance</b></p>
151.	<p>(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors 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 contained.</p> <p>(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.</p>	<p><b>Secrecy</b></p> <p><b>Access to property information etc.</b></p>
<b>GENERAL POWER</b>		
152.	<p>Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.</p>	<b>General power</b>

## SECTION X: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 568/1, PMW Complex, Railway Road, District Gurgaon – 122 001, Haryana, from 10.00 a.m. to 5.00 p.m. on all Working Days (Monday to Friday) from the date of filing this Draft Red Herring Prospectus until the Bid / Issue Closing Date:

#### **A. Material Contracts to the Issue**

1. Issue Agreement dated April 29, 2015 entered into between our Company, the Selling Shareholders and the BRLMs.
2. Agreement dated April 29, 2015 entered into between our Company, the Selling Shareholders and the Registrar to the Issue.
3. Tripartite Agreement dated January 06, 2015 between CDSL, our Company and the Registrar to the Issue.
4. Tripartite Agreement dated February 10, 2015 between NSDL, our Company and the Registrar to the Issue.
5. Escrow Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Refund Bank(s) and the Registrar to the Issue.
6. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs, and the Syndicate Members and Registrar to the Issue.
7. Underwriting Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs, and the Underwriters.

#### **B. Material Documents**

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time including Certificates of Incorporation dated March 23, 2007.
2. Resolution of the Board dated February 03, 2015 and EGM resolution dated February 13, 2015 authorizing the Fresh Issue.
3. Resolution of the board of directors of AADC dated April 28, 2015 approving the offer of up to 68,00,000 Equity Shares.
4. Consent letter dated April 27, 2015 of Narinder Singh Dhingra approving the offer of up to 16,00,000 Equity Shares.
5. Resolution of the Board of Director of our Company dated April 29, 2015, approving this Draft Red Herring Prospectus.
6. Resolution of the shareholders dated February 13, 2015 for re-appointment of Narinder Singh Dhingra as the Chairman and Managing Director and Rohini Singh Dhingra as the whole-time Director of our Company.
7. Examination reports of our Statutory Auditor dated April 27, 2015 regarding the restated standalone and consolidated financial information of our Company for Fiscal ended 2011, 2012, 2013, 2014 and 2015, included in this Draft Red Herring Prospectus.
8. Statement of Tax Benefits dated April 27, 2015 issued by our Statutory Auditor.

9. Consents of Auditors, Bankers to our Company, BRLMs, Selling Shareholders, Domestic Legal Counsel to the Issue, International Legal Counsel to the Issue with respect to Selling and Transfer Restrictions for the Equity Shares, Legal Counsel to AADC, our Directors, Chief Financial Officer, Company Secretary and Chief Legal Officer cum Compliance Officer and Registrar to the Issue and ICRA, as referred to in their specific capacities.
10. Agreement dated March 31, 2007 entered into by and between Narinder Singh Dhingra and our Company for taking over his proprietary business of Hi – Fashion Clothing Company.
11. Deed of Assignment dated March 12, 2008 entered into by and between Narinder Singh Dhingra and the Company assigning certain trademarks to our Company.
12. Shareholders' Agreement, dated March 12, 2008, entered into by and between the Company, Narinder Singh Dhingra, Rohini Singh Dhingra and AADC.
13. Amendment Agreements dated June 30, 2009, June 30, 2010 and March 31, 2011 and February 13, 2015 entered into by and between Numero Uno Clothing Limited, Narinder Singh Dhingra, Rohini Singh Dhingra, Iqbal Singh Dhingra, Manjit Kaur Dhingra and AADC.
14. Employment Agreement dated October 01, 2014 entered into by and between our Company and G.S. Oberoi with respect to the profit sharing understanding with him for our footwear and accessories business.
15. Certificate dated April 27, 2015 issued by our Statutory Auditors regarding sources and deployment of funds.
16. Copies of the annual reports of our Company for the Fiscal ended March 31, 2011, 2012, 2013, 2014 and 2015.
17. In-principle listing approvals dated [●] and [●] from BSE and NSE respectively.
18. Due diligence Certificate dated April 29, 2015 addressed to SEBI from the BRLMs.

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, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## **DECLARATION**

We, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the 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 and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines and regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Red Hearing Prospectus are true and correct.

### **Signed by the Directors of our Company**

Narinder Singh Dhingra  
**Chairman and Managing Director**

Rohini Singh Dhingra  
**Whole-time Director**

Arun Kumar Jain  
**Non-Executive and Independent Director**

Hasmeeth Singh Uppal  
**Non-Executive and Independent Director**

Sanjeev Kapur  
**Non-Executive and Independent Director**

**Signed by the Chief Financial Officer of our Company**

**Signed by the Compliance Officer of our Company**

Rajesh Mittal  
**Chief Financial Officer**

Man Singh  
**Company Secretary and Chief Legal Officer cum Compliance Officer**

Date: April 29, 2015

Place: Gurgaon, Haryana

**DECLARATION BY AA DEVELOPMENT CAPITAL INDIA FUND 1, LLC**

AA Development Capital India Fund 1, LLC, hereby declares that all statements and undertakings made by it in this Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder and the Equity Shares being offered and sold by it in the Offer for Sale are true and correct, provided however, that AA Development Capital India Fund 1, LLC assumes no responsibility for any statement (including any of the statements made by or relating to the Company or its business in this Draft Red Herring Prospectus) other than those statements in relation to itself and the Equity Shares being sold by it pursuant to the Offer for Sale.

**SIGNED ON BEHALF OF AA DEVELOPMENT CAPITAL INDIA FUND 1, LLC**

**Name:** Raghav Kapoor

**Date:** April 29, 2015

**Place:** Gurgaon, Haryana



**DECLARATION BY NARINDER SINGH DHINGRA**

Narinder Singh Dhingra hereby declares that all statements and undertakings made by him in this Draft Red Herring Prospectus about or in relation to himself and the Equity Shares being offered and sold by him in the Offer for Sale are true and correct.

**SIGNED BY NARINDER SINGH DHINGRA**

**Date:** April 29, 2015

**Place:** Gurgaon, Haryana