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FORCAS STUDIO LIMITED

Forcas Studio Limited (our “Company” or the “Issuer”) was originally formed as a partnership firm under the name and style of ‘M/s. Forcas Apparels’ pursuant to a deed of partnership dated April 9, 2010. Subsequently, pursuant to a resolution dated October 3, 2023 passed at the meeting of partners of M/s. Forcas Apparels, the partnership firm was converted into a private limited company under the Companies Act, 2013 under the name and style of ‘Forcas Studio Private Limited’ and a certificate of incorporation dated January 12, 2024 was issued by the Registrar of Companies, Central Registration Centre. Subsequently, pursuant to a resolution passed by our Board of Directors in their meeting held on February 20, 2024, and by the Shareholders at an Extra-Ordinary General Meeting held on February 23, 2024, our Company was converted into a public limited company and consequently the name of our Company was changed to ‘Forcas Studio Limited’ and a fresh certificate of incorporation dated April 5, 2024 was issued by Registrar of Companies, Central Processing Centre.

Registered Office: Tara Maa Tower, B3-71C/161 BBT Road, Vivekanandapur, South 24 Parganas, Thakurpur Mahestola - 700 142, West Bengal, India; **Telephone:** +91 332 950 1056; **E-mail:** info@focasstudio.in; **Facsimile:** N.A.; **Website:** www.focasstudio.in; **Contact Person:** Sangita Kumari Agarwal, Company Secretary and Compliance Officer;

Corporate Identity Number: U14101WB2024PLC267500

PROMOTERS OF OUR COMPANY: SAILESH AGARWAL AND SOURAV AGARWAL

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED JUNE 1, 2024: NOTICE TO THE INVESTORS (“THE ADDENDUM”)

INITIAL PUBLIC OFFER OF UPTO 46,80,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“EQUITY SHARES”) OF OUR COMPANY AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LACS (“PUBLIC ISSUE”) OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LACS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LACS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER AND BENGALI EDITION OF [●] (A BENGALI REGIONAL LANGUAGE NEWSPAPER, BENGALI BEING THE REGIONAL LANGUAGE OF WEST BENGAL WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”) FOR THE PURPOSES OF UPLOADING ON ITS WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”).

Potential Bidders may note the following: “RISK FACTORS”, “OBJECTS OF THE ISSUE”, “OUR BUSINESS”, “OUR PROMOTERS AND PROMOTER GROUP”, “FINANCIAL INDEBTEDNESS” AND “GOVERNMENT AND OTHER STATUTORY APPROVALS” have been updated in accordance with the suggestions made by NSE.

The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus and Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

Place: West Bengal, India

Date: July 29, 2024

On behalf of Forcas Studio Limited

Sd/-

Sailesh Agarwal
Managing Director

BOOK RUNNING LEAD MANAGER TO THE ISSUE

Horizon Management Private Limited
19 R N Mukherjee Road, Main Building,
2nd Floor, Kolkata- 700 001, West Bengal, India.
Telephone: +91 33 4600 0607
Facsimile: +91 33 4600 0607
Email ID: smeipo@horizon.net.co
Website: www.horizonmanagement.in
Investor Grievance ID: investor.relations@horizon.net.co
Contact Person: Manav Goenka
SEBI Registration Number: INM000012926

REGISTRAR TO THE ISSUE

MAS Services Limited
T-34, 2nd Floor, Okhla Industrial Area,
Phase-II New Delhi- 110 020,
Delhi, India.
Telephone: +91 112 638 7281/83, 114 132 0335
Facsimile: +91 112 638 7384
E-mail: ipo@masserv.com
Investor grievance: investor@masserv.com
SEBI Registration No.: INR000000049
Contact Person: N. C. Pal

BID/ISSUE PROGRAMME

ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●]

BID/ISSUE OPENS ON: [●]

BID/ISSUE CLOSES ON: [●]

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SECTION III – RISK FACTORS

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

7. *Any failure in the quality control processes by our contract manufacturers may adversely affect our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of products supplied by our manufacturers does not meet our customers' expectations.*

Our products might have certain quality issues or undetected errors, due to defects in manufacture of products caused by our contract manufacturers. Any shortcoming in the products procured by us due to failure of the quality control procedures adopted by the contract manufacturers, negligence, human error or otherwise, may damage our products and result in deficient products. It is imperative for our contract manufacturers to meet the quality standards set by our customers and agencies as deviation from the same may cause them to reject our products and cause damage to our reputation, market standing and brand value. While, instances of quality lapses by our contract manufacturers have not occurred in the past, occurrence of any such events in the future, may have an adverse impact on our business, results of operations and financial condition.

In the event the quality of the products is sub-standard or the products procured by us suffer from defects and are returned by our customers due to quality complaints, we may be compelled to take back the sub-standard products and reimburse the cost paid by our customers. We do not have formal arrangements with our contract manufacturers, therefore we may not be able to claim a reimbursement of the damages suffered by us or litigate them for such reimbursement. Such quality lapses may strain our longstanding relationship with our domestic and international customers and our reputation and brand image may suffer, which in turn may adversely affect our business, results of operations and financial condition. Our customers may lose faith in the quality of our products and could in turn refuse to further deal in our products, which may have a severe impact on our revenue and business operations. We along with our contract manufacturers also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs. While, no product liability claims have been instituted against our Company, however occurrence of any such events in the future, may have an adverse impact on our business, results of operations and financial condition.

9. *Our operations could be adversely affected by labour shortages, strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.*

Our operations and supply chain could be adversely affected by labour shortages, increased labour costs or work stoppages by our employees and those of our contract manufacturers and our suppliers. We believe that such personnel are critical to maintaining our competitive position. In the event of labour shortages, we, our contract manufacturers and our suppliers may have difficulties recruiting or retaining employees or may cause us to incur additional costs and result in delays or disruption to our production and sales. Any failure to attract qualified personnel at reasonable cost and in a timely manner could reduce our competitive advantages relative to our competitors and undermine our ability to expand. To sustain our operations and relations with our contract manufacturers, we may need to increase the wages paid to them, and as we do not maintain long-term contracts with our contract manufacturers, the price we pay for their services may increase due to increased labour costs incurred by them. If we are not able to pass on the increased labour costs to our customers, our business and results of operations may be adversely affected. Any labour unrest directed against us, our contract manufacturers and our suppliers could directly or indirectly prevent or hinder our normal operating activities (including at our warehouse) and we cannot assure you that any disruptions in work due to strikes, wage disputes or other problems with the work force will not arise in the future. Further, the imposition of new laws, rules and regulations in such area could also adversely affect our operations. These actions are very difficult for us to predict or control and any such event could adversely affect our business, results of operations and financial condition. While, there except for labour shortage in the ordinary course of business, there have not been any instances of labour shortages, strikes, work stoppages or increased wage demands by our employees, however occurrence of any such events in the future, may have an adverse impact on our business, results of operations and financial condition.

15. *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 could adversely affect our operations, financial condition and/or profitability.*

We depend on a number of suppliers for procurement of raw materials required for manufacturing our products. The table below provides top 5 and top 10 supplier of raw materials during the last 3 financial years and stub period::

Particulars	February 29, 2024		March 31, 2023		March 31, 2022		March 31, 2021	
	Value (₹ lakhs)	Percentage of Total Purchase	Value (₹ lakhs)	Percentage of Total Purchase	Value (₹ lakhs)	Percentage of Total Purchase	Value (₹ lakhs)	Percentage of Total Purchase
Top 5 suppliers	3,957.15	59.90%	1,749.52	56.14	3,323.13	75.17%	2,896.34	72.62%
Top 10 suppliers	5,060.98	76.61%	2,463.26	79.05	3,966.61	89.68%	3,623.57	90.85%

Our Company maintains a list of registered and unregistered suppliers from whom we procure the materials on order basis. We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. Non-availability or inadequate quantity of raw material or use of substandard quality of the raw materials in the manufacture of our products, could have a material adverse effect on our business. Further, any discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our manufacturing 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 our 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 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.

46. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency, however shall be monitored by our Audit Committee and shall be purely dependent on the discretion of the management and Audit Committee of our Company.

Since the Issue size is less than ₹ 10,000 lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. However, pursuant to the Companies Act and SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Gross Proceeds raised through this Issue. The Audit Committee shall make recommendations to our Board for further action, if necessary. This information will also be published in the interim or annual financial results after review by the Audit Committee and its explanation in the director's report. The deployment of funds raised through this Issue, is hence, at the discretion of the Audit Committee and the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

47. Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.

Our Company intends to use approximately ₹ 2,665.67 lakhs of the Net Proceeds towards (i) funding of upgradation of warehouse; (ii) prepayment or repayment of certain secured loans availed by our Company; (iii) funding of working capital requirements of our Company. Our Board will have flexibility in temporarily investing the Net Proceeds as well as its inter se allocation across various heads, as disclosed in the section titled "Objects of the Issue" on page 41.

In case of any exigencies arising out of business conditions, economic conditions, competition or other factors beyond our control which adversely affect our business, we may require to use the Net Proceeds to meet any other expenditure or fund which expenditure cannot be determined with certainty as on the date of this Draft Red Herring Prospectus. In terms of Section 27 of the Companies Act, 2013 and all other applicable laws, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances requiring us to undertake variation in the utilisation of the Net Proceeds disclosed in the Draft Red Herring Prospectus, we cannot assure that we will be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoter would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue. Additionally, the requirement on Promoter to provide an exit opportunity to such dissenting shareholders may deter the Promoter from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Fresh Issue, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

OBJECTS OF THE ISSUE

Details of Objects of the Issue

1. Funding of upgradation of warehouse

Estimated Costs

The total estimated cost of towards upgradation of exiting warehouse is ₹ 165.67 lakhs which will entirely be funded through the proceeds of this Issue. The total cost for upgradation of exiting warehouse has been estimated by our management and is based on the quotations received from third party suppliers, which has been approved by our Board of Directors in their meeting dated April 8, 2024.

The detailed breakdown of such estimated cost is set forth below:

Description	Quantity	Rate per unit	Amount
Slotted Iron Rack Hsn(73012010), Enamel Spray Paint, 3000 mm Height X 1200mm Length X 900mm Depth 6 Shelves (Side Sheet & Back Sheet) as Per Need ANGLE 10 Swg (80×40), Shelves 18 Swg With Supported Bata	780	0.175	136.50
Supplier: M/s. Swastik Services Quotation dated: 16-06-2024 Validity : 90 days from the date of quotation			
Fitting & Transportation			3.90
CGST @ 9%			12.63
SGST @ 9%			12.63
TOTAL			165.67

(₹ in lakhs)

**Inclusive of GST & Cess*

\$The amount included in the quotation may be subject to price revisions, basis, inter alia, prevailing market conditions, price of raw materials, increase in taxes/duties levied by governmental authorities. In case of an increase in quoted amount due to a price revision, our Company will bear the difference out of internal accruals.

The upgradation of warehouse is utmost important to scale in our business as garments are a volumetric product and require lots of space to store. Further, we are into fashion product which require us to offer multiple options to our customers in terms of number of styles, colours and sizes, which again increases the requirement of having space to store. To scale in the next three years, our Company will have to provide a wide variety of options in terms of style, category and vertical to the customers. Nowadays, the supply system of any brand has to be very prompt in order to retain customer and add new ones. In order to store larger quantity of garments, ensure smooth supply with flexibility and ease, our Company requires upgradation of our existing warehouse. This will lead to increase in capacity from existing 8,00,000 unit ready to despatch to 20,00,000 unit ready to despatch.

2. Prepayment or repayment of all or a portion of secured loans availed by our Company

S. No.	Name of Lender	Purpose of availing loans	Interest rate (%) P.A	Repayment Terms	Sanction Date	Prepayment penalties, if any	Amount Outstanding as on 31-03-2024 (Rs.in Lacs)	Important terms of the loans
1	HSBC Bank Limited	Cash Credit	9.50%	12 Months	January 25, 2024	Nil	1,986.32	First Pari Passu charge on the current assets of the Firm, both present and future along with multiple banker ICICI Bank Hypothecation of Stock 25% margin Hypothecation of Receivables not more than 120 Days with 25% margin First Pari Passu charge by way of Equitable Mortgage of residential property located in at Flat No 3NC, 3rd Floor, Radha Madhab Dutt's Garden Lane, Kolkata – 700010 with multiple banker ICICI Bank

S. No.	Name of Lender	Purpose of availing loans	Interest rate (% P.A)	Repayment Terms	Sanction Date	Prepayment penalties, if any	Amount Outstanding as on 31-03-2024 (Rs.in Lacs)	Important terms of the loans
								First Pari Passu charge by way of Equitable Mortgage of residential property located in Emami City, Jessore Road, Kolkata – 700074 with multiple banker ICICI Bank Lien of Fixed Deposits with multiple banker ICICI Bank Personal Guarantee from Mr Sailesh Agarwal, Mr Sourav Agarwal, and Smt. Sushila Agarwal for Rs 200,000,000/- each
2	HSBC Bank Limited	ECGL - 1	9.50%	48 Months		Nil	22.10	Second charge on the existing collateral securities given in the Cash Credit Facility The GECL facility is also backed by 100% guarantee provided by NCGTC which shall be co terminus with the tenor of the facility
3	HSBC Bank Limited	ECGL - 2	9.50%	60 Months		Nil	99.00	Business Loan

Basis of estimation of working capital requirement

The details of our existing Company's working capital as at February 29, 2024 and the source of funding, derived from the standalone financial statements of our Company, as certified by our Statutory Auditor through their certificate dated April 6, 2024, are provided in the table below. On the basis of the existing and estimated working capital requirement of our Company on a standalone basis, and assumptions for such working capital requirements, our Board pursuant to its resolution dated April 6, 2024, has approved the estimated working capital requirements for Fiscals 2024 and 2025 as set forth below:

S. No.	Particulars	As at March 31, 2021
		(Actual-Restated)
(A)	Current assets	
(a)	Inventories	2,272.20
(b)	Financial assets	
	(i) Trade receivables	1,867.22
(c)	Other Current Assets	278.19
	Total current assets (A)	4,417.61
(B)	Current liabilities	
(a)	Financial liabilities	
	(i) Trade payables	1,714.87
(b)	Provisions, other current liabilities and current tax liabilities (net)	26.01
	Total current liabilities (B)	1,740.88
(C)	Total working capital requirements (C = A – B)	2,676.73
(D)	Funding pattern	
(a)	IPO proceeds	
(b)	Borrowings from banks, financial institutions and non-banking financial companies (including bill discounting) and/or internal accruals	2,676.73
	Total	2,676.73

Note: Pursuant to the certificate dated April 6, 2024, issued by the Statutory Auditor.

Our Company shall also fund the incremental working capital requirements by availing loan facilities.

Assumptions for our estimated working capital requirements

Particulars	As at March 31, 2021 (no. of days)
-------------	---------------------------------------

Inventories	175.00
Trade Receivables	132.00
Trade Payables	133.00

Key assumptions for working capital requirements

Our Company's estimated working capital requirements on a standalone basis are based on the following key assumptions:

S. No.	Particulars	Assumptions
Current Assets		
1	Trade Receivables	Our Company's general credit terms vary across online and offline sales. We had Debtors Holding days of 132, 39 days, 59 days and 89 days in FY2021, FY2022, FY2023 and for the period ended February 29, 2024. During FY2021, the debtor holding period was higher due to Covid19 impact. We expect Debtors Holding days to be around 59 days for FY2024 and 48 days for FY 2025. This will be almost at par with FY2023.
2	Inventories	Inventory levels are maintained by our Company depending upon the demand and delivery schedules. We had inventory turnover days of 175, 214 days, 102 days and 81 days in FY2021, FY2022, FY2023 and for the period ended February 29, 2024. During FY2021, the inventory holding period was higher due to Covid19 impact. We are making effort to improve its inventory turnover days and expect the same to be around 96 days in FY2024 and 83 days for FY2025 as compared to 102 days in FY2023.
Current Liabilities		
1	Trade Payables	We had creditors payment cycle of 133, 65 days, 43 days and 48 days in FY2021, FY2022, FY2023 and for the period ended February 29, 2024. During FY2021, the creditors payment cycle was higher due to Covid19 impact. We expect our creditors payments days be around 42 days for FY2024 and 14 days for FY2025 as compared to 43 days in FY2023.

Rationale for high working capital ratio in FY2021 and FY2022:

During the FY2021 and FY2022, the Company used to sell predominantly to large format stores and wholesalers wherein the standard credit period offered to them ranged in between 45-90 days. As the company is into manufacturing of apparels, the stock holding period ranges between 3-4 months.

In FY2021 due to Covid19, many business indeed experienced slowdowns or significant disruptions, the company was no exception to it. Because of the same the overall trade got severely impacted and as a result of which the working capital cycle got increased.

Moreover, in the FY2022 again Covid19 relapsed and the heat of the same was felt by almost every industry. Because of Covid uncertainty the pick-up of the orders placed by the customers got delayed which resulted in increase in inventory level and overall working capital requirement.

Rationale for reduction in working capital requirement in FY2023

In FY2023, the business scenario got normalized. Capitalising the opportunity, the Company strategically increased its presence multi-fold in the online marketplaces. The Company has achieved higher sales and faster delivery of product to the customers, resulting in faster conversion of stock into sales. This led to the overall working capital requirement normalised and reduced as compared to working capital requirement of FY2022.

Rationale for increase in working capital requirement in stub period

The net working capital for the stub period was Rs.3,792.34 Lacs as compared to Rs.2,551.67 Lacs for FY2023. The reason for the increase in net working capital requirement was mainly due to delay in the onset of winter season because of which the debtors and inventory levels increased. Due to delay of winter season the demand of the winter goods got delayed. Hence, the entire supply chain from inventory to debtors to payment cycle gets elongated to balance the delay in the season. The Company has ended FY2024 with turnover of around Rs.112.37 crores recording a growth of around 61.46% as compared to FY2023 which ended with Rs. 69.60 crores. Considering the same, the Company has estimated revenue of Rs. 200 crores in FY2025. Further, the surge in turnover had direct impact on the Company's working capital requirements due to specific changes in the following areas:

- **Inventories of raw material and finish products:** The rise in volume of sales in turn necessitated an increase in inventories. The Company is in fashion industry which is season driven, i.e. the Company experience significant surge in sale during festive and winter seasons during September to next year February, and for the rest of the period the sales are normal but the Company has to keep its inventory ready to meet the higher demand. Because of the growth in revenue, the inventory level in value terms correspondingly increased. As the Company has increased its product portfolio to offer more and more options of fashion to its customers, which in turn resulted in increased inventory to and an expansion of the working capital needed for the stub period as compared FY2023. This strategic approach aligns with our goal of sustaining growth while efficiently managing inventory levels to meet project demands effectively.
- **Debtors holding period:** The rise in volume of sales in turn resulted in higher debtors. As stated earlier, delay in the onset of winter season, the whole working capital cycle got elongated and debtors were no exception to it. The debtor holding period increased from 59 days in FY2023 to 89 days during the stub period. This has resulted in expansion of the working capital needed for the stub period as compared FY2023.

Details of total number of units sold in last 3FYs and stub period

The number of units sold by the Company during the last 3 financial years and stub period are as under:

Period	April 1, 2023 till February 29, 2024	FY 2022-23	FY 2021-22	FY 2020-21
No. of units sold (in pcs)	67,10,204	49,98,324	40,46,386	38,43,865

SECTION V – ABOUT THE COMPANY

OUR BUSINESS

DETAILS OF OUR BUSINESS

Manufacturing and Distribution Infrastructure

Our Company is not into trading business of any kind. We get our finished garments made from third party manufacturer / job workers in our brand with our specification, trims, style, size etc. The third-party manufacturer / job workers get the material approved from our quality control team and then undertake the manufacturing under the complete supervision of our Company personnel as a part of quality control measure. Then, we check the same for fabric quality before accepting them. These are then sold through our Sales Channels. This is a standard process in garments industry where any company who is in the process of building a brand outsources some products directly as per specification to fast pace its launches and to meet demands. This helps us not to be completely dependent on existing suppliers and get specialized suppliers for particular products connected with the brand.

RAW MATERIALS

Quality check of raw material

Our Company have standard practice for the quality check of the raw materials. Before accepting any raw material, we check sample yardage from the ready shipment. We check a certain percentage of each batch depending of fabric quality by our self-developed process for each quality. We also have a lab test of random lots to maintain the standardization.

Plant & Machinery

Name of equipment	No. of equipment	Owned/ leased	Function
Cutting machine	9	Owned	For fabric cutting
EDGE cutter machine	3	Owned	For fabric cutting
CAD machine	1	Owned	For pattern adjustments with print
Lock machine	50	Owned	For garment stitching
Falt lock machine	4	Owned	For garment stitching
Overlock Machine	10	Owned	For garment stitching
Elastic gauging machine	5	Owned	For elastic attachment in garment
Bartack machine	4	Owned	Sewing operation for power of bearing load on particular areas of garment
Button holing machine	4	Owned	For making button holes in different garments
Button machine	7	Owned	For attachment of buttons in garments
Thread winding machine	1	Owned	For winding thread of empty cones
Feed of the arm	6	Owned	For sewing lapped seam in garments
6” cutting machine	1	Owned	For cutting small layer of fabric
Electric iron	1	Owned	For fusing paper & pastings in garments
Heat seal machine	56	Owned	For fusing and heat transfer of stickers in garments
Barcode machine	5	Owned	For printing barcode stickers

OUR PROMOTERS AND PROMOTER GROUP

OUR PROMOTERS' GROUP

In addition to our Promoter, the following individuals and entities form part of our Promoters' Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations:

Individuals forming part of the Promoters' Group:

S. No.	Name of member of our Promoter Group	Relationship with our Promoter
<i>Sailesh Agarwal</i>		
1.	Late Sanwar Mal Agarwal	Father
2.	Sushila Agarwal	Mother
3.	Priyanka Agarwal	Spouse
4.	Sourav Agarwal	Brother
5.	-	Sister
6.	Shaurya Agarwal	Son
7.	Sanith Agarwal	Son
8.	-	Daughter
9.	Shyamlal Agarwal	Spouse's Father
10.	Chandadevi Agarwal	Spouse's Mother
11.	Akash Agarwal	Spouse's Brother
12.	Anshu Agarwal	Spouse's Brother
13.	-	Spouse's Sister

SECTION VI - FINANCIAL INFORMATION
FINANCIAL INDEBTEDNESS

SECURED BORROWINGS

As on March 31, 2024, we have availed secured loans of which the total outstanding amount secured loan is ₹ 3,138.46 lakhs as of date, the details of which are as under:

(₹ in Lakhs)

Name of Lender	Nature of Loan	Rate of Interest (per annum)	Repayment Terms	Sanction Date	Amount Sanctioned (Rs.in Lacs)	Amount Outstanding (Rs.in Lacs)	Security Details
HSBC Bank Limited	Cash Credit	9.50%	12 Months	January 25, 2024	2,000.00	1,986.32	<ul style="list-style-type: none"> • First Pari Passu charge on the current assets of the Firm, both present and future along with multiple banker ICICI Bank. • Hypothecation of Stock 25% margin Hypothecation of Receivables not more than 120 Days with 25% margin. • First Pari Passu charge by way of Equitable Mortgage of residential property located in at Flat No 3NC, 3rd Floor, Radha Madhab Dutt's Garden Lane, Kolkata – 700010 with multiple banker ICICI Bank • First Pari Passu charge by way of Equitable Mortgage of residential property located in Emami City, Jessore Road, Kolkata – 700074 with multiple banker ICICI Bank • Lien on Fixed Deposits with multiple banker ICICI Bank • Personal Guarantee from Sailesh Agarwal, Sourav Agarwal, and Sushila Agarwal for Rs. 2,000.00 lakhs each
	ECLGS - Working Capital Demand Loan	9.50%	48 Months		198.90	22.10	
	ECLGS 1- Working Capital Demand Loan	9.50%	60 Months		99.00	99.00	
ICICI Bank Limited	Cash Credit	9.40%	12 Months	March 6, 2024	800.00	789.65	<ul style="list-style-type: none"> • First Pari Passu charge on the current assets of the Firm, both present and future including stocks and book debts
	Derivative	9.40%	12 Months		65.00	0.00	

Name of Lender	Nature of Loan	Rate of Interest (per annum)	Repayment Terms	Sanction Date	Amount Sanctioned (Rs.in Lacs)	Amount Outstanding (Rs.in Lacs)	Security Details
							<ul style="list-style-type: none"> • First Pari Passu charge by way of Equitable Mortgage of residential property located in at Flat No 3NC, 3rd Floor, Radha Madhab Dutt's Garden Lane, Kolkata – 700010. • First Pari Passu charge by way of Equitable Mortgage of residential property located in Emami City, Jessore Road, Kolkata – 700074. • Lien on Fixed Deposits for INR 265.00 Lakhs • Personal Guarantee from Sailesh Agarwal, Sourav Agarwal, Sanwarmal Agarwal and Sushila Agarwal
	ECLGS - Working Capital Demand Loan	9.40%	48 Months		98.00	19.06	<p>The Facility herein shall, rank second charge with the Other Facility in terms of cash flows (including repayment) and shall be secured by (i) extension of second ranking charge over all the existing securities (including mortgage) created in favour of the ICICI Bank for the Other Facility; and (ii) charge to be created on the assets created under the Facility.</p> <p>The existing security shall remain in full force and effect by way of continuing security to secure the Facility herein. The Borrower(s) and the security provider(s) undertakes to sign and execute all documents, deeds, writings, in the form and manner, as may be stipulated by the ICICI Bank for creation and perfection of the security.</p>
	ECLGS 1 - Working Capital Demand Loan	9.40%	60 Months		52.00	52.00	<p>Second charge with HSBC Bank by way of hypothecation on the firm's entire stocks(raw materials, semi-finished and finished goods), consumable stores and spares and such other moveable including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank.</p> <p>Second charge with HSBC Bank on Immovable Fixed Assets located at Emami City Flat No. A3-202 (South-Westside) on the</p>

Name of Lender	Nature of Loan	Rate of Interest (per annum)	Repayment Terms	Sanction Date	Amount Sanctioned (Rs.in Lacs)	Amount Outstanding (Rs.in Lacs)	Security Details
							<p>2nd floor in Tower No. A3, P.S. - DumDum, Under South DumDum Municipality, 24 Pg, 700028, Kolkata, West Bengal, India - Owned by Sailesh Agarwal</p> <p>Second charge with HSBC Bank on Immovable Fixed Assets located at NEERMANI, The residential flat 3NC on the 3rd floor South West Side, -, P.O. and P.S. - Beliaghata, Ward No. 33, Under KMC, P.O. and P.S. - Beliaghata, 700010, KOLKATA, West Bengal, India. Owned by Sushila Agarwal & Sanwar Mal Agarwal</p> <p>Second charge on FD – 1 of INR 130 lakhs</p> <p>Second charge on FD – 2 of INR 127.0 lakhs</p>
Equentia SCF Technologies Pvt. Ltd.	Working Capital Demand Loan	15.50 %	On demand	February 7, 2024	200.00	170.33	<ul style="list-style-type: none"> • Second exclusive charge by way of Hypothecation of all receivables, book debts and Current Assets of the borrower, both present and future. All receivables of the borrower from the end clients shall be deposited in the designated account, subject to a minimum of 1.5x of the facility which may be monitored by the lender at its sole discretion • Lien on 15% FD • Personal Guarantee of Sailesh Agarwal and Saurav Agarwal
	Total Loans						3,138.46

SECTION VII – LEGAL AND OTHER INFORMATION

GOVERNMENT AND OTHER STATUTORY APPROVALS

Tax Related Approvals

- b) Our Company’s Tax Deduction and Collection Number dated January 12, 2024 and last modified on May 7, 2024, issued by the Income Tax Department is CALF04566C.

Business Relates Approvals

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/Renewal	Valid up to
2.	Certificate of registration under issued under West Bengal Shops and Establishments Act, 1963	Registering Authority under the West Bengal Shops and Establishments Act, 1963	SP02862N2024002769	June 19, 2024	June 18, 2025
