

This is an abridged prospectus containing salient features of the Prospectus. You are encouraged to read greater details available in the Prospectus.

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Fixed Price Issue



**SCARNOSE INTERNATIONAL LIMITED**

**Corporate Identity Number:** U15400GJ2011PLC064911, **Date of Incorporation:** April 12, 2011

Registered & Corporate Office	Contact Person	Email and Telephone	Website
503, Sun Square, Nr Hotel Nest, Off C. G. Road, Navrangpura, Ahmedabad - 380006, Gujarat, India.	<b>Ms. Ankita Vivekkumar Shah,</b> Company Secretary & Compliance Officer	Email ID: <a href="mailto:compliance@scarnose.com">compliance@scarnose.com</a> Tel No: 079-4897 5503	<a href="http://www.scarnose.com">www.scarnose.com</a>

**NAMES OF PROMOTERS OF THE COMPANY**

MR. SHAH VIMALKUMAR MISHRILAL AND MR. HITESH LOONIA

**DETAILS OF OFFER TO PUBLIC, PROMOTERS/SELLING SHAREHOLDERS**

Type	Fresh Issue Size No of shares/Amount	OFS Size	Total Issue Size	Eligibility – 229(1) / 229(2) & Share Reservation amount QIB, NII & RII
Fresh Issue	₹ 660.00 Lakhs	Nil	<b>₹660.00 Lakhs</b>	The Issue is being made pursuant to Regulation 229(1) of SEBI ICDR Regulations. As the Company's post issue Paid-up capital would be less than 10.00 (Ten) Cr. <b>Reservations (equity Shares)</b> Market Maker – 60,000 RII – 5,70,000

These equity shares are proposed to be listed on the **SME Platform of BSE Limited** ("BSE SME") and the **Designated Stock Exchange** will be the **BSE Limited** ("BSE").

OFS: Offer for Sale

**Details of OFS by Promoter(s)/Promoter Group/Other Selling Shareholders - NIL –**

**Price Band, Minimum Bid Lot & Indicative Timelines**

Price Band - Fixed Price Issue	Rs. 55/- Per Equity Share of Face Value of Rs. 10/- Each
Minimum Bid Lot Size	2,000 Equity Shares
Bid/Offer Open On	June 14, 2022
Bid/Closes Open On	June 17, 2022
Finalisation of Basis of Allotment	June 22, 2022
Initiation of Refunds	June 23, 2022
Credit of Equity Shares to Demat accounts of Allottees	June 24, 2022
Commencement of trading of Equity Shares	June 27, 2022

**Details of WACA of all shares transacted over the trailing eighteen months from the date of Prospectus**

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper End of the Price Band is 'X' times the WACA	Range of acquisition price Lowest Price- Highest Price (in Rs.)
Trailing Eighteen Month from the date of Prospectus	NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES		

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of Prospectus.

## RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the equity shares is ₹10/- each and the issue price is 5.5 times of face value of the equity share. The issue price should not be taken to be indicative of the market price of the equity shares after the equity shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the equity shares will be traded after listing.

## GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of “*Risk factors*” beginning on page no. 9 of this form.

## PROCEDURE

You may obtain a physical copy of the Bid-cum-Application Form and the Prospectus from the stock exchange, syndicate members, registrar to the issue, share transfer agents, depository participants, stock brokers, underwriters, bankers to the issue, investors’ associations or Self Certified Syndicate Banks.

If you wish to know about processes and procedures applicable to this issue, you may request for a copy of the Prospectus and/or the General Information Document (GID) from the Lead Manager or download it from the websites of the Stock Exchanges i.e. [www.bseindia.com](http://www.bseindia.com) and the LM ([www.finshoregroup.com](http://www.finshoregroup.com)).

## PRICE INFORMATION OF LEAD MANAGER: FINSHORE MANAGEMENT SERVICES LIMITED

### Statement on Price Information of Last 7 (Seven) Issues (IPO) handled by Finshore Management Services Limited:

Sr. No.	Issue Name	Issue Size (₹ in Cr.)	Issue Price (In ₹)	Listing Date	Opening price on listing date (In ₹)	+/- % change in closing price, [+/- % change in closing benchmark] 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 180 <sup>th</sup> calendar days from listing
1	Dynamic Services & Security Ltd.	24.13	51/-	13/10/2021	53.00	-13.73 [-0.80]	-20.00 [-0.87]	-69.61 [-2.08]
2	Destiny Logistics & Infra Limited	5.39	20/-	13/10/2021	20.70	-27.00 [-0.80]	-41.75 [-0.87]	-43.00 [-2.08]
3	Timescan Logistics (India) Limited	4.81	51/-	12/01/2022	82.00	78.43 [-3.33]	79.90 [-2.95]	N. A.
4	Safa Systems & Technologies Ltd.	4.00	10/-	09/02/2022	16.55	7.00 [-5.13]	-5.80 [-6.83]	N. A.
5	Shigan Quantum Technologies Limited	22.70	50/-	11/03/2022	61.00	150.50 [6.94]	N. A.	N. A.
6	Swaraj Suiting Limited	10.68	56/-	28/03/2022	56.00	32.14 [-0.12]	N. A.	N. A.
7	Fone4 Communications (India) Limited	6.80	10/-	06/05/2022	10.00	-39.00 [1.70]	N. A.	N. A.

Status as on 07-06-2022

## GENERAL INFORMATION

Names of Lead Manager	<b>FINSHORE MANAGEMENT SERVICES LIMITED</b> <b>Telephone:</b> +91-33-22895101 <b>Contact Person:</b> Mr. S. Ramakrishna Iyengar <b>Email:</b> ramakrishna@finshoregroup.com
Name of the Market Maker	<b>ECONO BROKING PVT LTD</b> <b>Telephone:</b> +91 9099050615 <b>Email ID:</b> sanjay.kotak@econobroking.com <b>Contact Person:</b> Mr. Sanjay Kotak, CEO
Name of Registrar to the Issue	<b>CAMEO CORPORATE SERVICES LIMITED</b> <b>Telephone:</b> +91-44-40020700, 28460390, <b>Email:</b> <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a> <b>Contact Person:</b> Mr. R.D. Ramasamy, Director
Name of Statutory Auditor	“M/s J S Maheshwari & Co.” Chartered Accountants
Name of Credit Rating Agency and the rating or grading obtained, if any	Not Applicable
Name of Debenture trustee, if any	Not Applicable
Self-Certified Syndicate Banks	The list of banks is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> which is updated from time to time.
Non-Syndicate Registered Brokers	You can submit Application Forms in the Issue to Non-Syndicate Registered Brokers at the Non-Syndicate Broker Centres. <i>For further details, see sectioned titled “Issue Procedure” beginning at page no. 150 of the prospectus.</i>
Details regarding website address(es)/ link(s) from which the investor can obtain list of registrars to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	The details of the Designated Registrar to issue and Share Transfer Agents Locations and Designated Collecting Depository Participant and stock brokers Locations, along with their names and contact details are available on the websites of the Stock Exchange as updated from time to time

## PROMOTERS OF ISSUER COMPANY

Sr. No.	Name	Individual/ Corporate	Experience & Educational Qualification
1.	<b>Mr. Shah Vimalkumar Mishrilal</b>	Individual	<b>Mr. Shah Vimalkumar Mishrilal</b> , aged 34 years, is the Chairman and Managing Director of our Company and has been associated with our Company since its incorporation. He holds a Bachelor Degree of Commerce from Gujarat University and having professional degree of Chartered Accountants and Cost Management Accountant and has an experience of more than a decade. He is one of the founder members of our Company and was appointed as Director on September 25, 2018 and re designated as Chairman and Managing Director with effect from September 08, 2021. He is responsible for the purchase division of our Company, administrative affairs, expansion activities, heads the marketing and sales team and takes overall care of the functional attributes of the Company. He was holding certificate of practice since 2009 for his own practice as a chartered accountant but surrender his certificate of practice to become the managing director of the company and take on the business mantle.
2.	<b>Mr. Hitesh Loonia</b>	Individual	<b>Mr. Hitesh Loonia</b> , aged 37 years, is one of the Promoter of our Company and has been associated with our Company since January, 2020. He holds a Bachelor & Master Degree of Commerce from Gujarat University and having professional degree of Chartered Accountants, Company Secretaries and Cost Management Accountant and has an experience of more than a decade. He gives opinion in the strategic decision making, pertaining to Corporate and administrative affairs, financial operations, business development and management of overall business. He has been instrumental in developing the business activities of our Company, growth and future prospects of our Company. He is holding Certificate of Practice in Chartered Accountancy and having a proprietor firm in the name of M/s Loonia & Associates having expertise in the field of Audit, Taxation and Finance.

For Further details on: “*Our Promoters and Promoter Group*” refer Page No. 97 of the Prospectus.

## BUSINESS OVERVIEW AND STRATEGY

### Brief Overview of Our Company and Business:

Our company was established in the year 2011 as a Private Limited Company with the basic object of Trading of agriculture commodities. Till March 2019, there was no major business activity in the company. However, after that we explored the opportunities in the cotton industry and looking at the bright prospects, we started focusing in business of trading of Raw Cotton, Cotton Bales, Yarn from the year 2020 and also diversify into manufacturing of Ladies Kurtis and Dress Materials through outsourcing model from the year 2021. Our company had started its major business operation effectively from financial year 2019-20.

Our Company procures cotton bales from different ginners (A person who operates a Cotton gin i.e., a Cotton engine which quickly and easily separates cotton fibers from their seeds enabling much greater productivity than manual cotton separation) where-by they provide us cotton in the form of bales. The promoters had existing relationship with many mills and factories and tied up with them, wherein the Company sales cotton bales to them. Most of the clients of our Companies are ginners and cotton factories. We provide Cotton Bales in varied specifications and at economical prices.

Having gained experience in this industry, now we have started manufacturing through outsourcing model ladies dress materials particularly Kurtis from the current year 2021 and selling in our own domestic brand "SCARNOSE".

Our Company is owned and managed by professionally qualified persons namely Mr. Vimal Shah (Chartered Accountant and Cost Accountant) and Mr. Hitesh Loonia (Chartered Accountant, Cost Accountant and Company Secretary). Both the promoters come from a family which has been into the business of trading of Cotton, Agro Commodities and Textiles and had an inherited business acumen. This has given us an edge over others to deliver the product to the customers satisfaction by sourcing the best variety of cotton and selecting efficient job workers for manufacturing superior design dress materials with timely delivery. Our company under the able leadership of our promoters with a vision to create a niche business house have achieved a turnover of Rs. 9564.58 Lakhs in FY 2021-22.

### Products Offered:


Our Company is mainly engaged in Trading of diverse range of raw cotton, cotton bales & yarn. Currently, our company has started manufacturing of readymade garments through different job workers. These garments are made using printed fabric and solid dyed fabrics. Most of the garments are supplied with extensive value addition involving embroidery, hand embroidery and hand work including beads, sequences. Latest trend, fashion and lifestyle are having an impact while designing our product range.

**Key Performance Indicators:** Revenue from operations, EBITDA and Net Profit Margin

**Industries Served:** Textiles Industry & Apparel Industry

**Employees Strength:** As on April 30, 2022, we employed 9 employees.

### Intellectual Property:

Sr. No.	Logo	Class	Trademark Type	Owner of Trademark	Application No.	Date of application	Status
1		35^	Device	Scarnose International Limited	5101003	24/08/2021	Registered

^ Services related to online, offline, wholesale, retail outlets, and semi-wholesale business and services of distribution, marketing and trading related to ready garments, sarees, unstitched dress materials, leggings, kurtis, clothing, and hosiery, processed, and unprocessed cotton included in class- 35.

**Market Share:** Not ascertainable

**Manufacturing Plant:** None

### Our Business Strategy:

➤ Focus on Increase in Volume of Sales	➤ Leverage and enhance our goodwill in the market
➤ Creativity and trending designer idea	➤ Leveraging our Market Skills and Relationships
➤ Reduction of operational costs and achieving efficiency	➤ Quality Assurance

**BOARD OF DIRECTORS**

Sl. No.	Name	Details	Experience	Other Directorship
1	<b>Shah Vimalkumar Mishrilal</b>	Managing Director	<b>Mr. Shah Vimalkumar Mishrilal</b> , aged 34 years, is the Chairman and Managing Director of our Company and has been associated with our Company since its incorporation. He holds a Bachelor Degree of Commerce from Gujarat University and having professional degree of Chartered Accountants and Cost Management Accountant and has an experience of more than a decade. He is one of the founder members of our Company and was appointed as Director on September 25, 2018 and re designated as Chairman and Managing Director with effect from September 08, 2021. He is responsible for the purchase division of our Company, administrative affairs, expansion activities, heads the marketing and sales team and takes overall care of the functional attributes of the Company. He was holding certificate of practice since 2009 for his own practice as a chartered accountant but surrender his certificate of practice to become the managing director of the company and take on the business mantle.	1. Ideal Project Finance Services Private Limited 2. Intellity Webport Private Limited ( <i>Strike off as per MCA</i> )
2	<b>Dakshita Dadhich</b>	Non-Executive Director	<b>Ms. Dakshita Dadhich</b> , aged 26 years, is a Non-Executive Director of our Company since October 12, 2021. She holds a Master's Degree in Commerce from Mohan Lal Sukhadiya University and also cleared CA Intermediate level (IPCC), and she has knowledge in the field of Accounts & Finance.	NIL
3	<b>Mr. Kunjal Jayantkumar Soni</b>	Independent Director	<b>Mr. Kunjal Jayantkumar Soni</b> , aged about 30 years is an Independent Director of our Company. He holds a bachelor's degree in Commerce and Law from Gujarat University and also having professional degree of Company Secretary from ICSI and currently working as Company Secretary in Shri Jagdamba Polymers Limited. He is having overall experience of more than 4 years in the field of legal and compliance. He was appointed as an Additional Director of our company with effect from May 06, 2021 and his appointment was regularized on June 07, 2021.	NIL
4	<b>Hemal Patel</b>	Additional Independent Director	<b>Mr. Hemal Patel</b> , aged about aged 35 years, is an Independent Director of our Company. He holds a bachelor's degree in Commerce from Gujarat University and also having professional degree of Company Secretary from ICSI, and currently working as Company Secretary in VMS Industries Limited. He is having overall experience of more than 10 years in the field of legal and compliance. He was appointed as an Additional Director of our company with effect from October 02, 2021.	NIL

## OBJECT OF THE ISSUE

The Issue includes a fresh Issue of 12,00,000 Equity Shares of our Company at an Issue Price of ₹55/- per Equity Share aggregating to ₹660.00 Lakhs.

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects and gain benefits of listing on SME Platform of BSE Limited.

### The Objects of the Issue are:

- A. To meet the working capital requirements
- B. To make the repayment of Unsecured Loan
- C. To meet the Issue Expenses
- D. General Corporate Purposes

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. It will also make future financing easier and affordable in case of expansion or diversification of the business. Further, listing attracts interest of institutional investors as well as foreign institutional investors.

The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the object's clause of our Memorandum. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution.

### Details of means of finance –

The fund requirements for each of the objects of the Issue are stated as follows: (Rs. in lakhs)

Sr. No.	Objects of the Issue	Total estimate cost	Amount deployed till	Amount to be financed from Net Proceeds	Estimated Net Proceeds Utilization
					Fiscal 2023
1	To meet the working capital requirements	250.56	NIL	250.56	250.56
2	Repayment of Unsecured Loan	289.44	NIL	289.44	289.44
3	General corporate purposes	65.00	NIL	65.00	65.00
4	Issue related expenses	55.00	NIL	55.00	55.00
	<b>Total</b>	<b>660.00</b>	<b>NIL</b>	<b>660.00</b>	<b>660.00</b>

For further details please refer chapter "Object of the issue" beginning on page no. 48 of the prospectus.

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years: Not Applicable**

Name of monitoring agency, if any: Not Applicable

Terms of Issuance of Convertible Security, if any: Not Applicable

### PRE-ISSUE SHAREHOLDING PATTERN

Sr. No.	Particulars	Pre-Issue number of shares	% Holding of Pre-issue
1.	Promoter & Promoter Group	<b>19,50,000</b>	99.992 %
2.	Public	150	0.008%
	<b>Total</b>	<b>19,50,150</b>	<b>100.00 %</b>

For further details please refer "Capital Structure" beginning on Page no. 38 of the Prospectus  
**Number/amount of equity shares proposed to be sold by selling shareholder: Not Applicable**

## RESTATED AUDITED KEY FINANCIALS

(Rs. In Lakhs)

Particulars	For the year ended March 31,		
	2022	2021	2020
Revenue from Operation	9564.58	3254.90	1204.57
Net Profit/(Loss) before tax	44.67	30.09	3.75
Net Profit/(Loss) after tax	33.42	22.51	2.81
Equity Share Capital	195.02	42.00	1.00
Reserves and Surplus	143.99	148.55	3.05
Net worth	339.00	190.55	4.05
Basic & Diluted earnings per Equity Share as Restated (Rs.)	1.76	41.04	28.12
Basic & Diluted Earnings per Equity Share as Restated after considering Bonus Impact	1.76	13.68	9.37
Return on net-worth (%)	9.86%	11.81%	69.51%
Net Asset Value Per Equity share as Restated (Rs)	17.38	45.37	40.45
Net Asset Value per Equity share as Restated after considering Bonus Impact	17.38	15.12	13.48

*For further Detailed information, please refer Chapter “Capital Structure” and “Basis for Issue Price” beginning from page no. 38 and 52 of prospectus respectively.*

### INTERNAL RISK FACTORS

**The below mentioned risks are top 10 risk factors as per the Prospectus.**

1. Our business is dependent on a few customers and the loss of, or a significant reduction in award of contracts by such customers could adversely affect our business.
2. We are highly dependent upon few suppliers for our raw material for our current manufacturing facilities. In an eventuality where our suppliers are unable to deliver us the required materials in a time-bound manner it may have a material adverse effect on our business operations and profitability.
3. Currently our manufacturing of Kurtis and dress materials are under outsourcing model and in future also we will continue to have this model.
4. Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations
5. The average cost of acquisition of Equity Shares by our Promoters is lower than the Issue Price.
6. Our results of operations may be materially adversely affected by our failure to anticipate and respond to changes in fashion trends and consumer preferences in a timely manner.
7. Our business is seasonal in nature in domestic market with the peak happening during festivals and other important functions. Any substantial decrease in our sales during the said period can have a material adverse impact on our financial performance.
8. Our Company’s business is driven with various factors like intense competition from established as well as unorganized players. Our competition depends on several factors which includes quality, price and most importantly to upgrade with the latest trend to reap optimum sales.
9. We require high working capital for our smooth day to day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favourable terms may have an adverse effect on our operations, profitability and growth prospects.
10. Delays or defaults in payment by our customers could affect our cash flows and may adversely affect our financial condition and operations.

*For further details please refer the chapter “Risk Factor” on page no. 17 of our Prospectus.*

## SUMMARY OF OUTSTANDING LITIGATION, CLAIMS AND REGULATORY ACTION

### A. Total number of outstanding litigations against the Company and amount involved:

Name of Entityw	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in crores)
<b>Company</b>						
By the Company	NIL	NIL	NIL	NIL	NIL	NIL
Against the Company	NIL	NIL	NIL	NIL	NIL	NIL
<b>Directors</b>						
By our Directors	NIL	NIL	NIL	NIL	NIL	NIL
Against the Directors	NIL	NIL	NIL	NIL	NIL	NIL
<b>Promoters</b>						
By Promoters	NIL	NIL	NIL	NIL	NIL	NIL
Against Promoters	NIL	NIL	NIL	NIL	NIL	NIL

*For further details of “Outstanding Litigation and Material Developments” please refer page no. 128 of the Prospectus.*

**B. Brief details of top 5 material outstanding litigations against the Company and amount involved: NIL**

**C. Regulatory action, if any – disciplinary action taken by SEBI or stock exchange against the promoters in last 5 financial years including outstanding action, if any – NIL**

**D. Brief details of outstanding criminal proceedings against the promoters – NIL**

*For further details of “Outstanding Litigation and Material Developments” please refer page no. 128 of the Prospectus.*

## ANY OTHER IMPORTANT INFORMATION AS PER LEAD MANAGER/ISSUER

NIL

## DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India, or the guidelines/regulations 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 the prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in the prospectus are true and correct.